

Aden

Aden Services China

2023 Sustainability Report

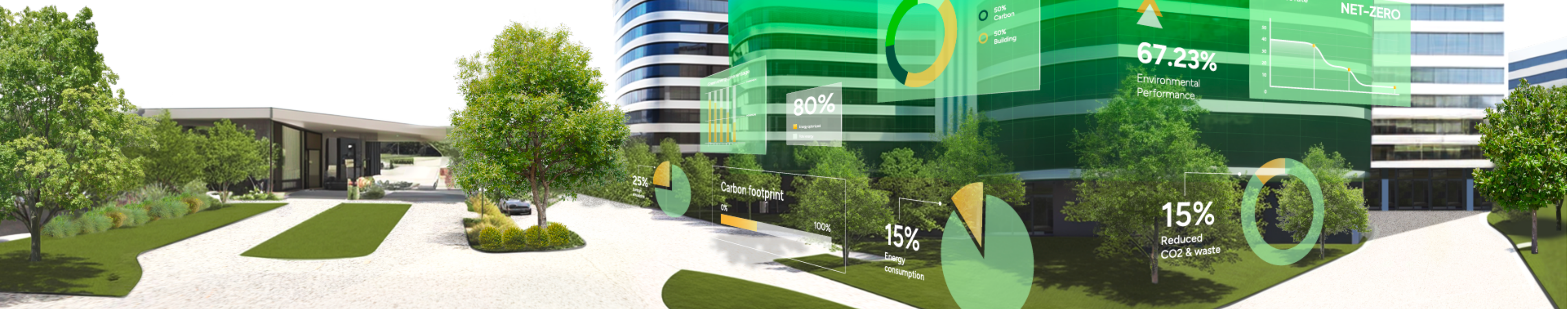


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About this Report

This report is the third disclosure of social responsibility information by Beijing Aden Hotel Services Co., Ltd. and its branches and subsidiaries (hereinafter referred to as "Aden Services China" "Aden" "the Company"). It is also the Company's first sustainability report, disclosing to stakeholders the vision, management methodologies, efforts and achievements of Aden on ESG (Environmental, Social, and Governance) topics in its operations.

Basis of Preparation

This report is compiled primarily with reference to the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (UN SDGs 2015).

Scope of the Report

The scope of this report covers Beijing Aden Hotel Services Co., Ltd. and its branches and subsidiaries (referred to as "Aden Services China" "Aden" "the Company").

Reporting Period

The information in this report is reported for the period of January 1, 2023 to December 31, 2023. The data in this report covers the period from January 1, 2021 to December 31, 2023. Certain additional information related to the subjects of the report that occurred prior to the date of this report in 2023 is also disclosed in the report to ensure that stakeholders are fully informed about material information.

About Data

The data and cases in the report are taken from official records of actual company operations. The financial data in the report are all presented in CNY. If the financial data in this report is inconsistent with the Company's annual financial report, the annual financial report shall prevail.

Reporting Principles

Significance

The Company focuses on the material topics identified as being of high interest to stakeholders in this report. The reporting of material topics in this report also focuses on the characteristics of the industries and locations in which the Company operates. The analysis process and results pertaining to material topics are detailed in the "2 ESG Management" section of this report.

Accuracy

This report strives to ensure the accuracy of information to the best extent possible. Among them, the quantitative information measurement has established the data caliber, calculation basis and assumption conditions. The quantitative information and the accompanying notes are detailed in the section "9 Quantitative Performance" of this report.

Balance

The contents of this report reflect objective facts and unbiased disclosure of information. The Company has conducted searches through public databases on the subjects within the scope of this report and found no negative events that should have been disclosed but were not disclosed during the reporting period.

Clarity

This report is published in Simplified Chinese/English. If there is any discrepancy between the two versions, the Chinese version shall prevail. The tables in the report and the interpretation of professional terms are all auxiliary to the content of the report, so that readers can better understand the content of the report.

Comparability

This report discloses quantitative performance indicators and strives to provide historical data whenever possible. The report endeavors to maintain consistency in the statistical methods and disclosure formats for the same indicators across different reporting periods. Stakeholders with any inquiries regarding these statistical and disclosure methods can contact us via email (MYESG@adenservices.com).

Completeness

This report endeavors to align the disclosure scope with the consolidated financial statement scope of the Company to the extent possible. Detailed explanations are provided in the "Scope of the Report".

Sustainability Context

This report discloses information on its impact in the context of sustainable development.

Timeliness

This is an annual report and the time frame has been explained in detail under "Reporting Period". The Company endeavors to publish the report as soon as possible after the end of the reporting year in order to provide stakeholders with timely information for decision-making.

Verifiability

The cases and data presented in this report are derived from the Company's actual operational original records or financial reports.

Access to the Report

The report is published in electronic form, you can browse or download online on company's official website (<https://www.adenservices.com>).

Contact us

If you have any comments, suggestions or questions about the report, you can contact us through the following ways:

Address: 218 Xiangyang Nan Lu, Xuhui District, Shanghai

Email: MYESG@adenservices.com

Message from the President



Joachim POYLO
Co-founder & President

Here’s a number that we never forget at Aden: 40%. That is the share of carbon emissions that buildings create every year through construction, operations and logistics. And that isn’t all. Among other things, the built environment accounts for:

- > 55% of global electricity consumption
- > 40% of solid waste
- > 25% of water consumption

In short, the impact of buildings – the way their services, assets and data are managed - could hardly be bigger. As a company which specializes in the built environment, we at Aden understand that we have a huge responsibility and unique opportunity to act strategically and systematically to reduce this impact. This is a duty which extends to the clients whose facilities we manage, but also to our own offices, supply chain and wider operational processes.

We also recognize the enormous impact of buildings on the people who use them. Buildings are where we spend an enormous share of our time, and they have a well-documented impact on community, productivity, and even health and well-being. In our sustainability mission, we always need to remember why we are on the journey – and at the end of the day, this is a project we are undertaking for people and with people at the center.

This report provides an overview of the steps Aden Services China took in 2023 to create better impact for both planet and people. We introduce the China arm of our business and the systems we have instituted for ESG management. We will document how we have leveraged our expertise in Integrated Facilities Management (IFM), digital technologies and corporate policies to achieve better transparency, governance, community and environmental impact.

Of course, this journey is far from complete but we are pleased to share our progress in 2023, and progress that we believe will move us to an even better impact in 2024 and beyond. Finally, I would like to thank all our partners and employees who have supported Aden's development. It is your efforts and commitment that enable Aden to move forward in this era of change.

Let’s work together with commitment and strategic action to make good on this most critical mission.

01 About Aden



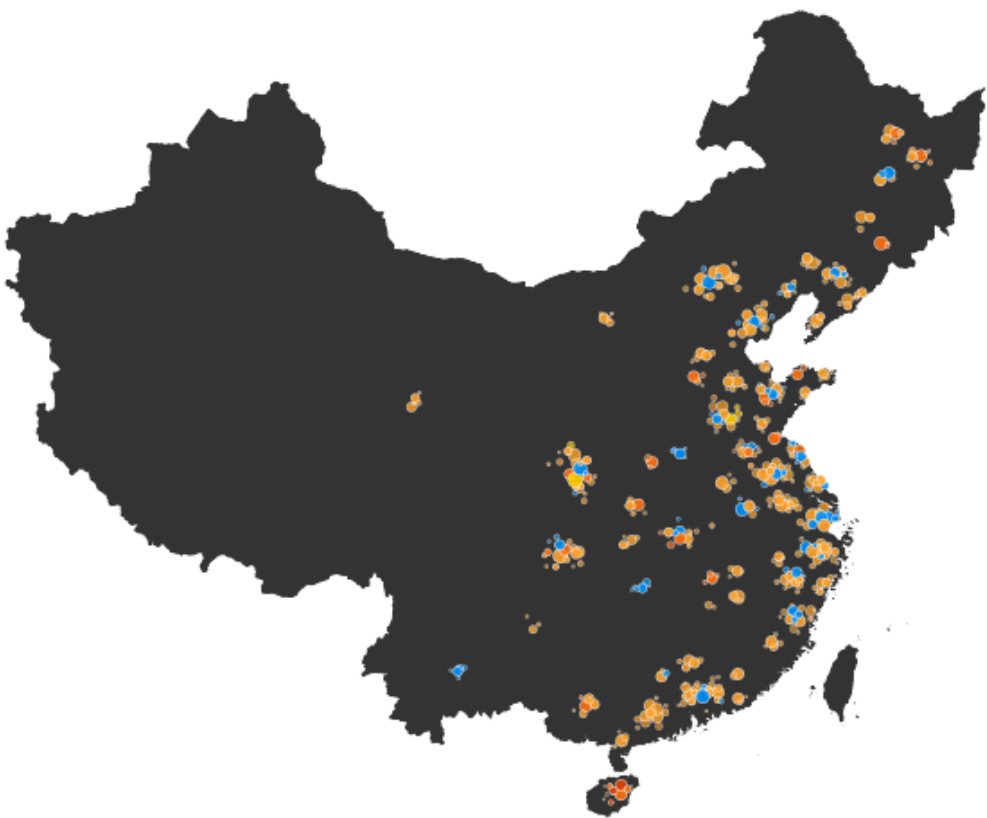
1.1 Company Profile

Aden Services China is the largest regional division in Aden Services, the facility and property management arm of parent company, Aden Group. Headquartered in Shanghai since 1999, Aden Services China partners with over 1,200 MNC and domestic clients across China.

Aden Services’ business mission in China is to advance private sector modernization while opening opportunities for clients to accelerate their ESG roadmaps and meet the nation’s 2030/2060 dual carbon targets. Aden Services’ core business rests on the integrated and digitalized management of technical asset management, soft services and food services. Besides this core offer, Aden Services works closely with other entities in the Aden Group portfolio. Key collaborations with other Aden divisions which Aden Services manages in China include:

- > Akila - digital twin and ESG data platform
- > Aden Energies - Energy management and renewable energy
- > PointZero - Offsite renewable energies fund
- > NXpark by Aden Group - Asset management of smart industrial properties
- > Digital engineering - BIM, MEP, carbon lifecycle assessment, asset performance simulation

Aden Services China is present in over 80 Chinese cities and has established 7 regional hubs, each hosting a dedicated office. Aden Services China also joined by other APAC and global divisions including Aden Services Vietnam, Aden Services Indonesia, and Aden Services Remote Sites (Southeast Asia, Central Asia & Africa).



Aden Services China - factsheet

HQ address

218 Xiangyang Road South, Xuhui District, Shanghai

Main Business

Facility management, food services, industrial technical services, building technical services

Primary Operating Locations

+80 cities in China, including Shanghai, Zhejiang, Jiangsu, Anhui, Jiangxi, Shandong, Fujian, Beijing, Tianjin, Inner Mongolia, Hebei, Henan, Hubei, Hunan, Guangdong, Guangxi, Hainan, Heilongjiang, Jilin, Liaoning, Qinghai, Shaanxi, Chongqing, Sichuan, Guizhou, Yunnan, etc.

Main Business Areas of Aden

Facility Management

Integrated Facility Management (IFM) strategy and concept, facility management consulting, integrated soft services, hygiene and security services, technical facility management, workspace management

Food Services

Technical design and consultancy, high-end catering, high-volume services, modular café design & operation

Industrial Technical Services

Predictive and preventive maintenance, Maintenance, Repair and Operations (MRO), One-time Equipment Maintenance (OEM), fly-in & remote operations, Failure Mode Effects and Criticality Analysis (FMECA) & risk assessment

Building Technical Services

Architecture and engineering, Heating, Ventilation and Air Conditioning (HVAC), video protection, lighting, IT infrastructure, elevator maintenance

1.2 Key Performance of 2023



Environmental

Scope 1 Greenhouse Gas (GHG) Emissions

35.43
tCO₂

Scope 2 GHG Emissions (location-based)

312.55
tCO₂

GHG Emission Intensity (Scope 1+2)

0.0023
tCO₂/10,000 CNY of revenue

Energy Consumption Intensity

0.0046
MWh/10,000 CNY of revenue

Weight of Recyclable Packaging Materials

0.53tons

Number of Incidents Penalized for Violating Environmental Laws and Regulations

0



Social

Per Capita Training Hours for Employees

19.39hours

Employee Occupational Health Examination Rate

100%

Work-related Lost Time Injury Rate (per Million Work Hours)

0.562

Total Hours of Employee Occupational Health and Safety Training

69,711hours

Employee Coverage Rate for Occupational Health and Safety Training

100%

Customer Satisfaction Survey Results

85%

Percentage of Suppliers Evaluated in Social Responsibility Performance

100%



Governance

Percentage of Employees Trained on Business Ethics

100%

Number of Confirmed Corruption Incidents/Corruption Litigation Cases




0

Total Number of Substantiated Complaints Related to Customer Privacy Violations Received

0

1.3 Social Recognition and Honors

2023 Aden ESG Recognition and Commitment

	Carbon Disclosure Project (CDP)	B
	EcoVadis Sustainability Rating	Bronze
	The Science-Based Targets initiative (SBTi)	Commitment to establish science-based emission reduction targets towards "Net Zero 2050"



2023 Aden ESG Honors



Awarding Bodies			
eRoad	Societe Generale de Surveillances (SGS)	Araymond	BritCham Shanghai
Award Name			
2023 China Global Insight Award for Compensation Excellence	The Award in Recognition of Good ESG Practices	Best Support Award	Future ESG Leader Award
<div><div></div></div>			
Awarding Bodies			
AstraZeneca	Chongqing Raffles Hospital	The Administrative League	Chongqing Raffles Hospital
Award Name			
Excellent Supplier Award	First Prize of "Organization Transformation for a Large Enterprise"	Excellent Supplier Award	Trusted Partner

02

ESG Management

2.1 ESG Management System

With ESG as its core, Aden has established a sustainability model and a management system covering the entire company, ensuring the efficient advancement of ESG initiatives. The Board of Directors oversees the overall situation, formulating relevant strategic plans. The Sustainability Committee under it specifically manages major ESG projects and conducts related assessments, reporting regularly to the Board of Directors. Functional departments at HQ and in major Chinese regions form sustainability task forces, enabling coordinated management from top to bottom.

Aden's Sustainability Model

Responsible Business

Adhering to compliance and conducting business with integrity, while establishing a responsible supply chain; aligning with international standards to ensure the long-term development of the enterprise.

Innovation

Digitization and intelligent innovation, integrating sustainable development principles and customized services into traditional comprehensive facility management services.

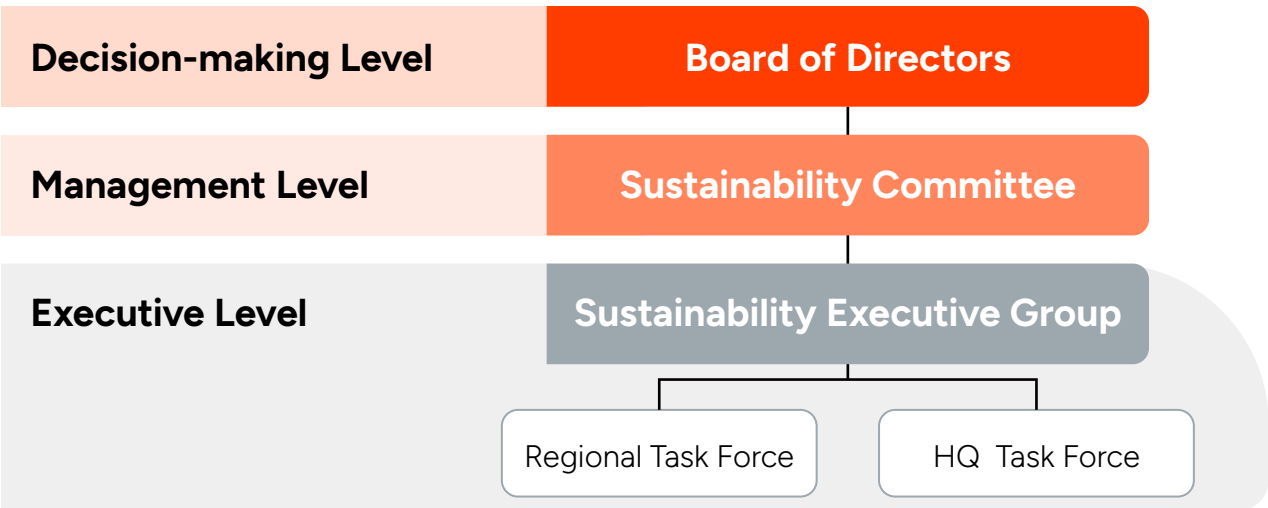
Minimize Environmental Impact

Implementing energy-saving and emission-reduction measures in office operations and project management; collaborating closely with upstream and downstream partners in the industrial chain to achieve a sustainable value chain.

Empower Our People

Protecting and enhancing employees' human rights, occupational health, safety, and welfare, leveraging corporate development to realize individual growth plans for employees.

Aden Sustainability Committee Framework



In 2023, the Sustainability Committee framework was restructured, with the establishment of a Sustainability Executive Group under the Sustainability Committee to effectively implement ESG work into the relevant departments, and the appointment of an Executive Group Leader who is responsible for coordinating the organization and reporting.



2.2 Stakeholder Communication

Aden consistently emphasizes and maintains effective communication with all stakeholders, while fully considering the impact of our operations on them. The Company identifies six key stakeholders, listens carefully to and understands the demands of each stakeholder through diverse communication channels, and actively communicates with stakeholders through channels such as websites, media, conferences, reports and activities.

Aden's Key Stakeholders & Communication Channels		
Key Stakeholders	Topics	Communication Channels
Government & regulatory authorities	Corporate governance, compliance & risk management, business ethics, occupational health & safety, climate change mitigation & adaptation, environmental management, emissions & waste management	Institutional assessments, policy implementation, information disclosure, etc.
Shareholders & investors	Corporate governance, compliance & risk management, business ethics, occupational health & safety, technological innovation, industrial cooperation & development	Shareholders' meeting, regular reports, sustainability reports, research, conference calls, other communication activities, etc.
Customers	Food safety & quality, occupational health & safety, product & service quality, nutrient & health opportunities, customer service management, energy management, technological innovation, data security & privacy protection, emissions & waste management, climate change mitigation & adaptation, green packaging & warehouse logistics	Product exhibitions, customer surveys, technical seminars, customer hotlines, customer satisfaction surveys, etc.
Employees	Occupational health & safety, product & service quality, food safety & quality, compliance, employee rights & benefits, recruitment & employment, employee training & development, employee care & communication, data security & privacy protection	Internal management meetings and reports, internal email correspondence, staff appraisal and training, town hall meetings, labor union activities, intranet, employee training, etc.

Key Stakeholders	Topics	Communication Channels
Partners (food suppliers, service suppliers, local industrial associations and chambers of commerce, universities, etc.)	Supply chain management, product & service quality, food safety & quality, occupational health & safety, data security & privacy protection, industrial cooperation & development, technological innovation, climate change mitigation & adaptation, emissions & waste management, water resources & wastewater management	Supplier quality/safety/responsible management assessment & audit, supplier training, telephone communication, occasional visits, academic seminars, industrial exhibitions, industry training, exchange meetings, etc.
Community, public and media (NGOs, charitable and social organizations, media, etc.)	Technological innovation, product & service quality, food safety & quality, occupational health & safety, community engagement, charity	Exchange visits, information disclosure, media interviews, event participation, questionnaire surveys, community volunteer activities, social welfare programs and social cause support programs



2.3 Analysis of Material Topics

In order to more accurately understand the concerns and expectations of stakeholders, in 2023, Aden conducted a material topic analysis. Following the process of identification, investigation, and review, 15 material topics of high importance were selected. These topics serve as a reference for information disclosure in this report and as crucial foundations for the Company to formulate our sustainability strategy.

Identification Methodology for Material Topics of Aden in 2023

Establishing Communication Objectives

In order to better communicate with stakeholders through the disclosure of information in sustainability reports, Aden has established communication objectives including communicating the company's ESG results, obtaining feedback from stakeholders, and improving risk management and operational capabilities.

Identification of an ESG Topic List

Based on business development and the results of the materiality analysis of previous years, and in conjunction with recognized sustainable development goals and standards (SDGs, GRI standards), the Company has identified and determined material topic list for the current year, covering 25 topics in ESG. Based on the actual operation, the company clarified the definition and boundaries of each topic.

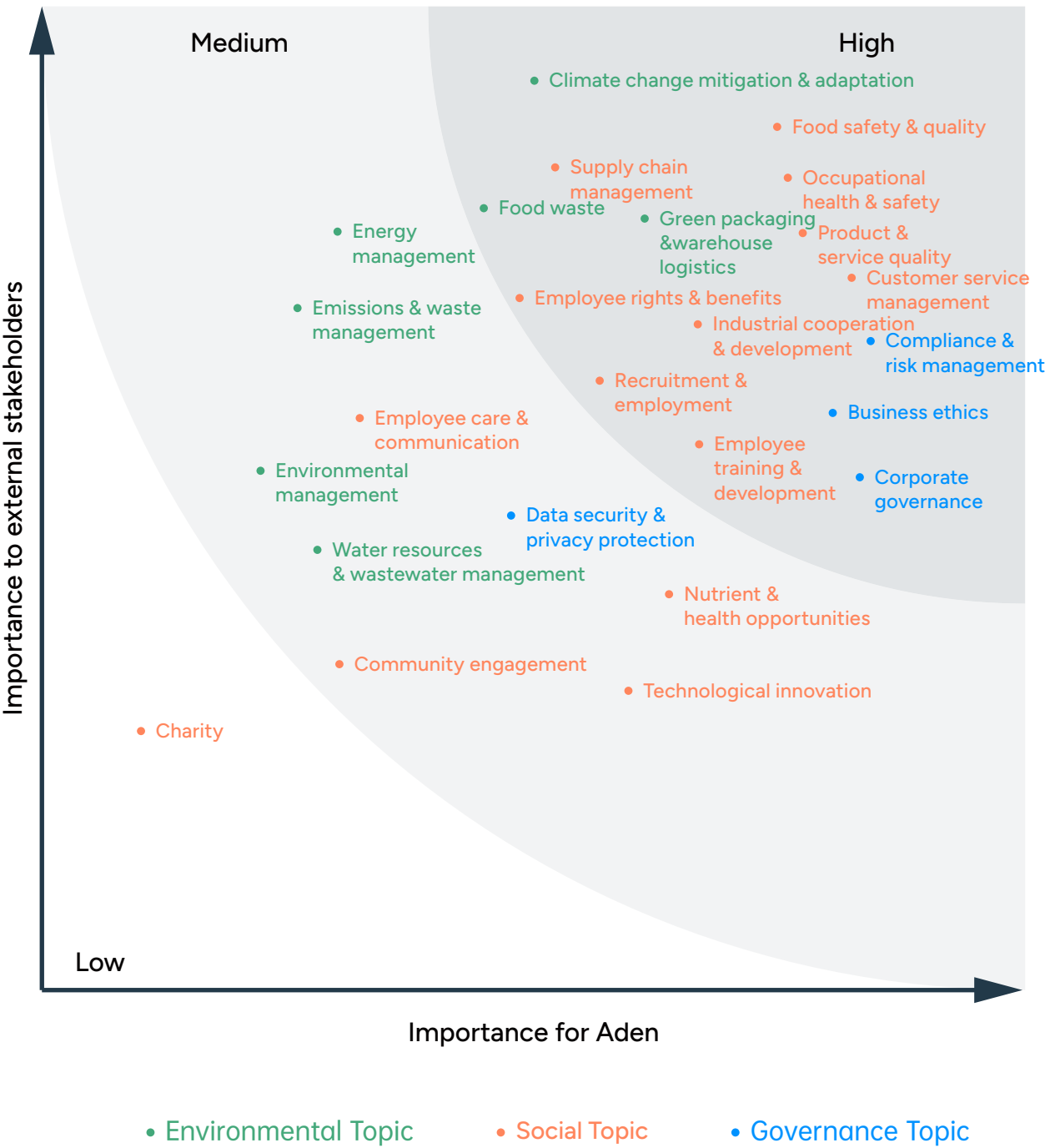
Analysis and Assessment of Material Topics

Taking into account the best practices in the industry and expert analysis, the Company assessed the materiality level of 25 topics and compiled an assessment matrix of the material topics for the year. The Company reviewed the stakeholder opinions and materiality assessment results, discussed with the Board of Directors and determined the disclosure priorities of the report.

Plotting a Two-dimensional Matrix of Topics

A matrix is drawn up combining the materiality scores given by each stakeholder group and the weighting of those scores on the two dimensions of "importance for Aden" and "importance to external stakeholders".

Aden Materiality Matrix



03

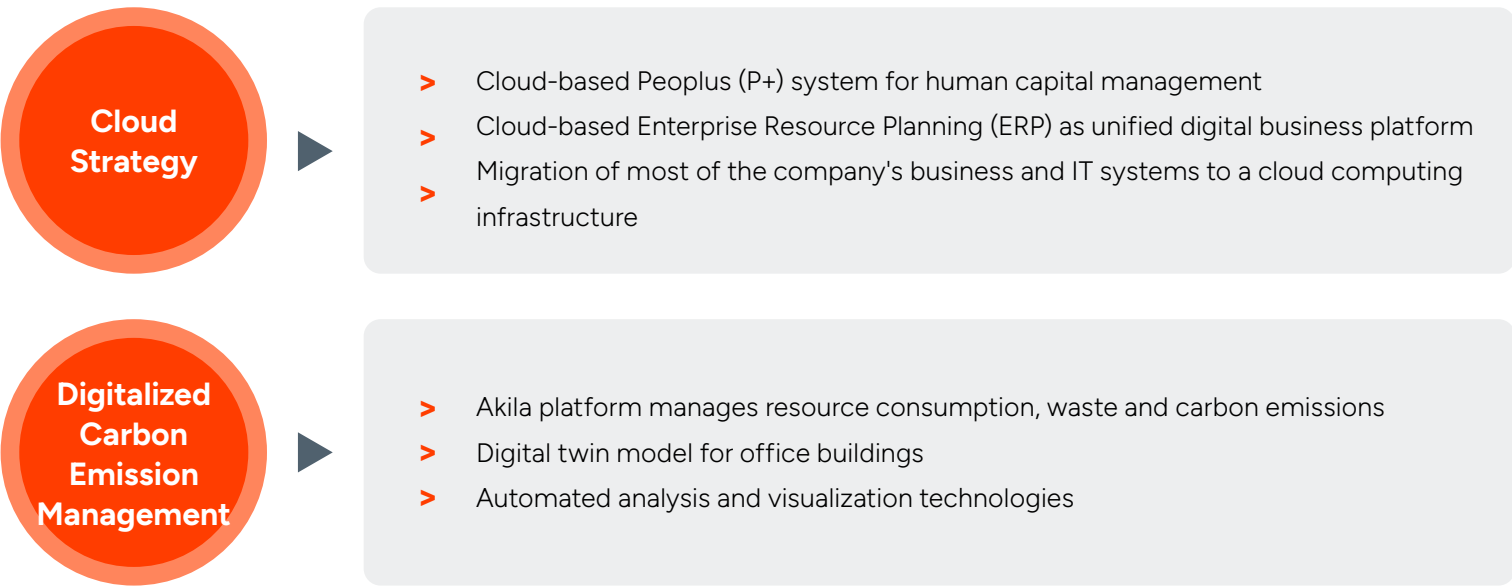
Spotlight of the Year: Digital IFM in Combating Climate Change Together

With the increasingly serious problems of global climate change and environmental pollution, carbon neutrality has become a global consensus, and the process of global climate governance is accelerating. Aden is committed to reducing carbon emissions in our own operations, building a corporate culture of sustainable development, and empowering customers to reduce carbon emissions by delivering low-carbon solutions through digital technology. At the same time, we leverage our strengths to develop new modes of business, contributing to achieving global climate goals and sustainable development.

3.1 Achieving Sustainable Operation

Reducing carbon emissions in operations is an integral part of Aden's responsible and sustainable development strategy. The Company attaches great importance to and adopts innovative digital methods to achieve carbon reduction in operations. Aden is actively carrying out digital reforms and has implemented a cloud strategy since 2017, using cloud services and cloud platforms to achieve flexible resource allocation and efficient information management.

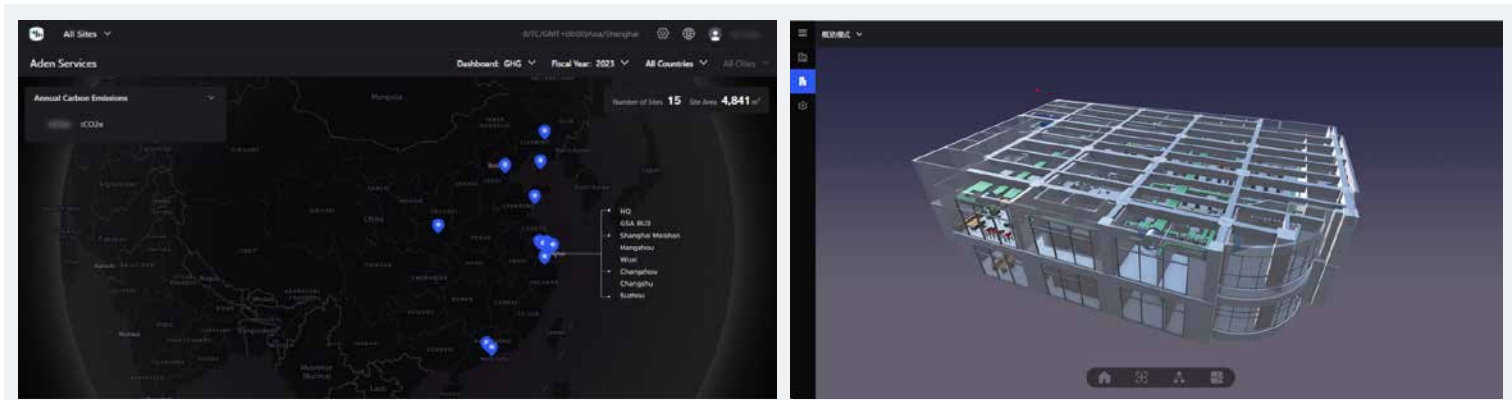
Aden’s Digital Carbon Reduction Methods in Operation



In terms of employee management, the Company has been carrying out human capital management through the P+ system for a long time, covering employee onboarding, vacation, overtime and attendance management. In 2020, Aden advanced our ESG commitment by implementing an advanced ERP system, which by 2022, unified Sales, Operations, Finance, and Supply Chain under a sustainable digital platform. This system bolsters our environmental efforts by optimizing inventory and reducing logistics-related emissions. The Company’ s governance benefits from enhanced financial transparency and compliance, supported by robust analytics for responsive decision-making. The ERP system fosters collaboration, aligning with our ethical leadership and stakeholder engagement goals, reinforcing Aden's dedication to

responsible business operations and sustainable growth. In addition, since the implementation of the cloud strategy in 2017, the Company continued to migrate various internal business to the cloud, and the number of physical servers in Aden around China has been reduced from the initial 20 to the current 8, reducing the energy consumption of IT infrastructure by more than 40% and effectively reducing operational carbon emissions.

In order to achieve digitalized and unified management of the Company's overall carbon emissions, in 2023, Aden partnered with Akila on a Greenhouse Gas (GHG) Emissions Accounting Project (referred to as “Aden-Akila GHG Project”). 15 office project sites were established nationwide, with each office uploading energy consumption and waste data through the Akila platform, enabling real-time monitoring of energy consumption and carbon emissions. This digital management tool not only improves the efficient collection and collation of carbon emissions data, but also provides Aden with a nationwide view of carbon emissions, carbon emission trends, among other key information in our major subsidiaries and branches, utilizing automated analysis and visualization technologies such as Digital Twin Models, Internet of Things (IoT) automatic collection of energy data, PowerBI data analysis, and visualization, etc. In addition, we built a 3D digital twin model of the HQ on the Akila platform to enable real-time monitoring, forecasting and optimization of the HQ building operations.



Aden-Akila GHG Project:
Akila Online Platform Home Page

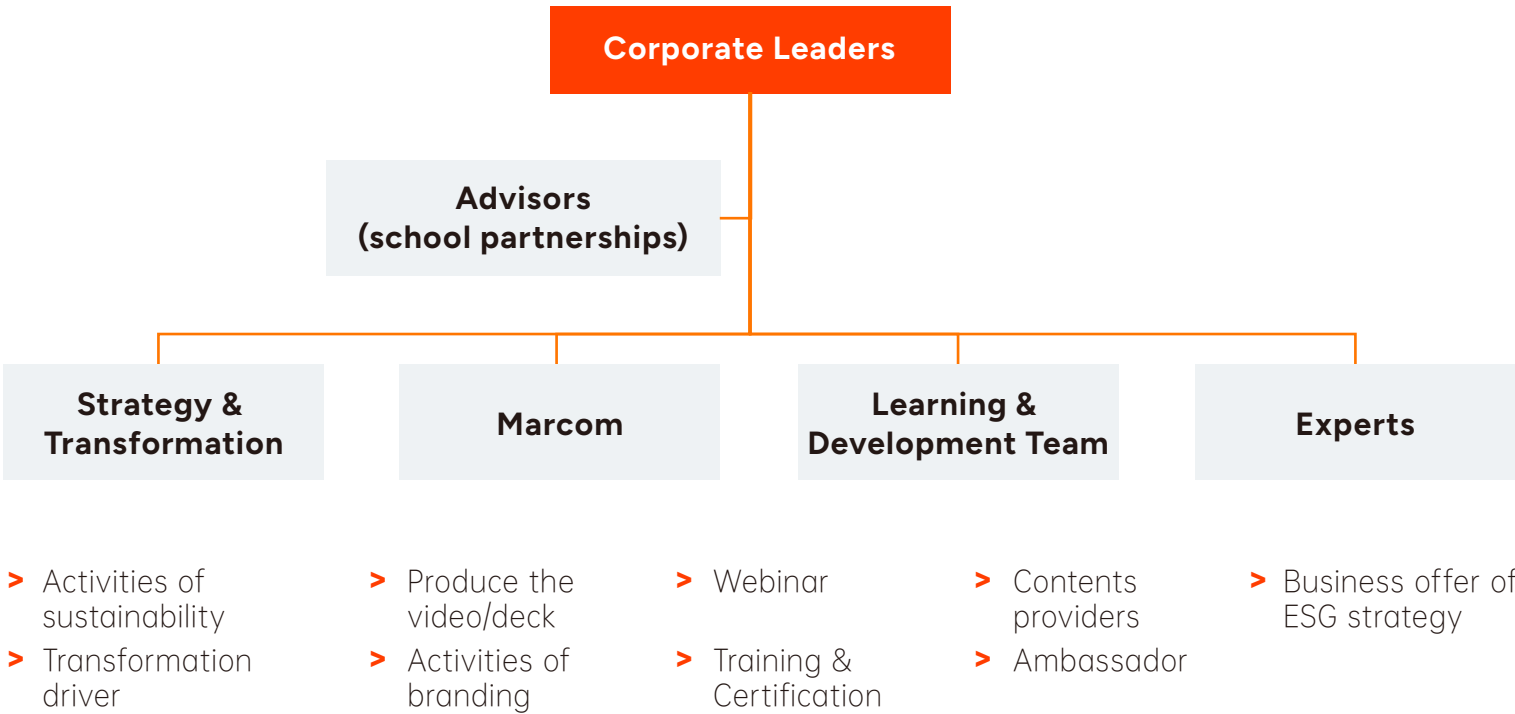
Aden-Akila GHG Project :
3D Digital Twin Model of the HQ

3.2 Building a Culture of Sustainable Development

While focusing on reducing carbon emissions in our operations, Aden also places great emphasis on embedding ESG concepts into our corporate culture. During the reporting period, adhering to the philosophy of "Culture Nurture, Strategy Decoding, Business Deployment", the Company initiated the ESG Learning and Certification Project, aimed at enabling the entire team to deepen their understanding of the ESG-centered concept of sustainable development.

Aden established the ESG Learning and Certification Project Committee, and under the leadership of company executives, collaborated with institutions such as Zhejiang University International Business School (ZIBS) and Shanghai University of Finance and Economics (SUFE). Starting from course planning, content design, material production and promotion, to course promotion, the committee introduces ESG learning and certification courses tailored for Aden employees. The courses are divided into two categories: United Nations Institute for Training and Research (UNITAR) Advanced Certification Course and Aden ESG Learning Certification Course, officially launched in September and December 2023, respectively.

Aden ESG Learning and Certification Project Committee



UNITAR Advanced Certification Course		Aden ESG Learning Certification Course – Basic Module	Aden ESG Learning Certification Course - Advanced Module
Online Platform	UNITAR Official Website	Lynx platform, WeChat “Spark” Official Account	
Course Content	Introduction to Climate Change, Preventing Food Waste, Sustainable Finance, among 9 courses.	The Evolution of ESG, Environmental Issues and Corporate Environmental Impact, Climate Change and Emission Reduction, The Future of ESG, among 17 sessions, covering the basic theory of ESG, enterprise operational waste management, energy conservation, water conservation etc.	What is an ESG Rating, Introduction to ESG Rating Systems, The Impact of Climate Change on Businesses, Greenhouse Gas Emission Reduction Strategies, among 9 sessions.
	Targeted at specific departmental employees (including Human Touch, Legal, Finance, Supply Chain and other operational departments)		
	Targeted at all Aden employees		

The courses have received enthusiastic feedback from Aden employees. As of the end of January 2024, a total of 3,401 employees had participated in the Aden ESG Learning Certification Course (the final certification count will be tallied after the completion of the 2024 project). By the end of 2023, 301 Aden employees had obtained UNITAR course certificates.



3.3 Delivering Low-Carbon Solutions

In the course of conducting business, Aden is dedicated to providing customers with low-carbon solutions, working collaboratively towards the achievement of Sustainable Development Goals (SDGs). The Company is committed to offering sustainable maintenance services for industrial technology on the Akila platform, effectively assisting clients in reducing resource consumption while providing routine facility maintenance. In the realm of industrial technology services, Aden possesses a proficient facility maintenance team and experienced engineers. They thoroughly assess equipment conditions, and data from routine facility maintenance work orders is meticulously recorded on the digital platform, serving as a reference for optimizing maintenance inspections. Furthermore, Aden tailors customized maintenance plans for clients' equipment, not only extending the lifespan of the devices but also significantly reducing consumption of spare parts. Based on pertinent maintenance information, we offer energy-saving recommendations tailored to clients' diverse facilities, aiding them in achieving cost reduction, efficiency enhancement, and energy conservation.

Aden's Sustainable Facilities Maintenance Service Process



Case Study: Smart X Intelligent Meter Project

Smart Impulse is a provider of innovative power monitoring solutions that use highly efficient connected devices to replace traditional meters. Leveraging our extensive experience in electromechanical installations, Aden partnered with Smart Impulse on power monitoring projects to minimize installation safety risks while reducing modifications to existing equipment. By the end of 2023, the Company had completed smart meter installations at 130 locations across 9 regions in Asia. These smart meters not only provide accurate power monitoring functions and networked management solutions, but also effectively control electricity consumption and help customers reduce costs and increase efficiency.

Smart X Meter Display Page

Case Study: Raffles Energy Consumption Smart Monitoring Project

In order to meet customers' needs for monitoring energy consumption data such as water, electricity, gas, etc., Aden has innovated our traditional service to provide customers with mobile resource monitoring reports. Customers can view them at any time according to different time and dimension (weekly, monthly, quarterly, yearly), discover abnormalities in a timely manner, and summarize the long-term energy consumption patterns to provide strong support for their own energy saving plans.

Case Study: Compressed Air Leak Detection Project

During the reporting period, we provided compressed air leak detection services, assisted clients in comprehensive testing and investigation through detection reports, timely identified and handled compressed air leak situations, reduced resource consumption, and saved a total of 477.20 tons of CO₂ emissions.

04

Green Operation Committed to Low Carbon Development

Aden continues to enhance our standardized and transparent environmental management system, advocating principles of resource conservation and green circular economy. By continuously reducing our operational impact on the environment, the Company aims to establish us as an environmentally friendly and sustainable enterprise.



4.1 Environmental Management System

Aden is fully aware of the importance of environmental management, and in our operations, the Company strictly complies with the Environmental Protection Law of the People's Republic of China and other requirements of the laws and regulations of the countries and regions in which the Company operates, so as to effectively safeguard the fulfillment and implementation of the environmental protection measures, and to enhance the Company's environmental management.

Aden Environmental Inputs and Outputs		
Process	Inputs	Outputs
Purchase	<div><div></div><div>*Various suppliers consume raw materials, energy and water resources for their production and operations</div></div>	<div><div></div><div>*Wastewater, emissions, solid waste, GHG (scope 3) from production and operations of various suppliers</div></div>
Warehouse & logistics	<div><div></div><div><div>*Resources: packaging materials for transportation</div><div>*Energy: gasoline and diesel consumed by freight vehicles; purchased electricity used for warehouse operations (including electricity used by third-party)</div><div>*Energy and resources consumed by dealership operations</div></div></div>	<div><div></div><div><div>*GHG (Scope 3)</div><div>Exhaust gases: *NO_x, *particulate matter (PM), *SO₂,</div><div>*General waste: waste packaging, household waste</div></div></div>
Project operation	<div><div></div><div><div>*Energy: purchased electricity</div><div>*Water: municipal water supply</div><div>Packaging: paper, plastic, metal, etc.</div></div></div>	<div><div></div><div><div>GHG (scope 3)</div><div>*Wastewater: municipal wastewater</div><div>General waste: food waste, other household waste</div></div></div>
Office operation	<div><div></div><div><div>Energy: purchased electricity, gasoline consumed by own vehicles</div><div>Water: municipal water supply</div><div>Packaging: paper, plastic, metal, etc.</div></div></div>	<div><div></div><div><div>GHG (scope 2)</div><div>Exhaust gases: *NO_x, *PM, *SO₂</div><div>Wastewater: municipal wastewater</div><div>General waste: household waste</div><div>Hazardous waste: printer cartridges, waste lamps, batteries, waste electronic products</div></div></div>

*These environmental impacts marked with * are excluded from the scope of this report.

Aden has formulated a series of management documents including the Environmental Factor Identification and Evaluation Procedures, Noise Prevention and Control Management Policy, Solid Waste Management Policy, Sanitary and Cleaning Management Policy, Electricity Conservation Management Policy and Water Conservation Management Policy, etc. The Company issued the Health, Safety, Environment and Quality Policy during the reporting period, and has carried out the implementation of the management systems in the operation activities to ensure that the risks related to the environment are effectively controlled. The Company and its branches and subsidiaries undergo annual audits of the ISO 14001: 2015 Environmental Management System. Additionally, the Company conducts regular internal audits on environmental aspects each year, continuously improving in response to identified issues and the current state of environmental management. The Company's use of resources has no significant impact on the environment, and neither Aden nor its branches and subsidiaries are classified as key pollution-emitting units.

Aden's Certifications of ISO 14001 Environmental Management System

Company Name	BEIJING ADEN HOTEL SERVICES CO., LIMITED
	BEIJING ADEN HOTEL SERVICES CO., LIMITED SUZHOU BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED WUXI BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED CHENGDU BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED SHENZHEN BRANCH
	BEIJING ADEN HOTEL SERVICES CO.,LIMITED SHANGHAI BRANCH
	SHANDONG ADEN HOTEL SERVICES CO., LIMITED
	SHAANXI ADEN SECURITY SERVICES CO., LIMITED
	WUXI ADEN SECURITY SERVICES CO., LIMITED
Valid Until	ZHEJIANG ADEN SECURITY SERVICES CO., LIMITED
	25 February 2027

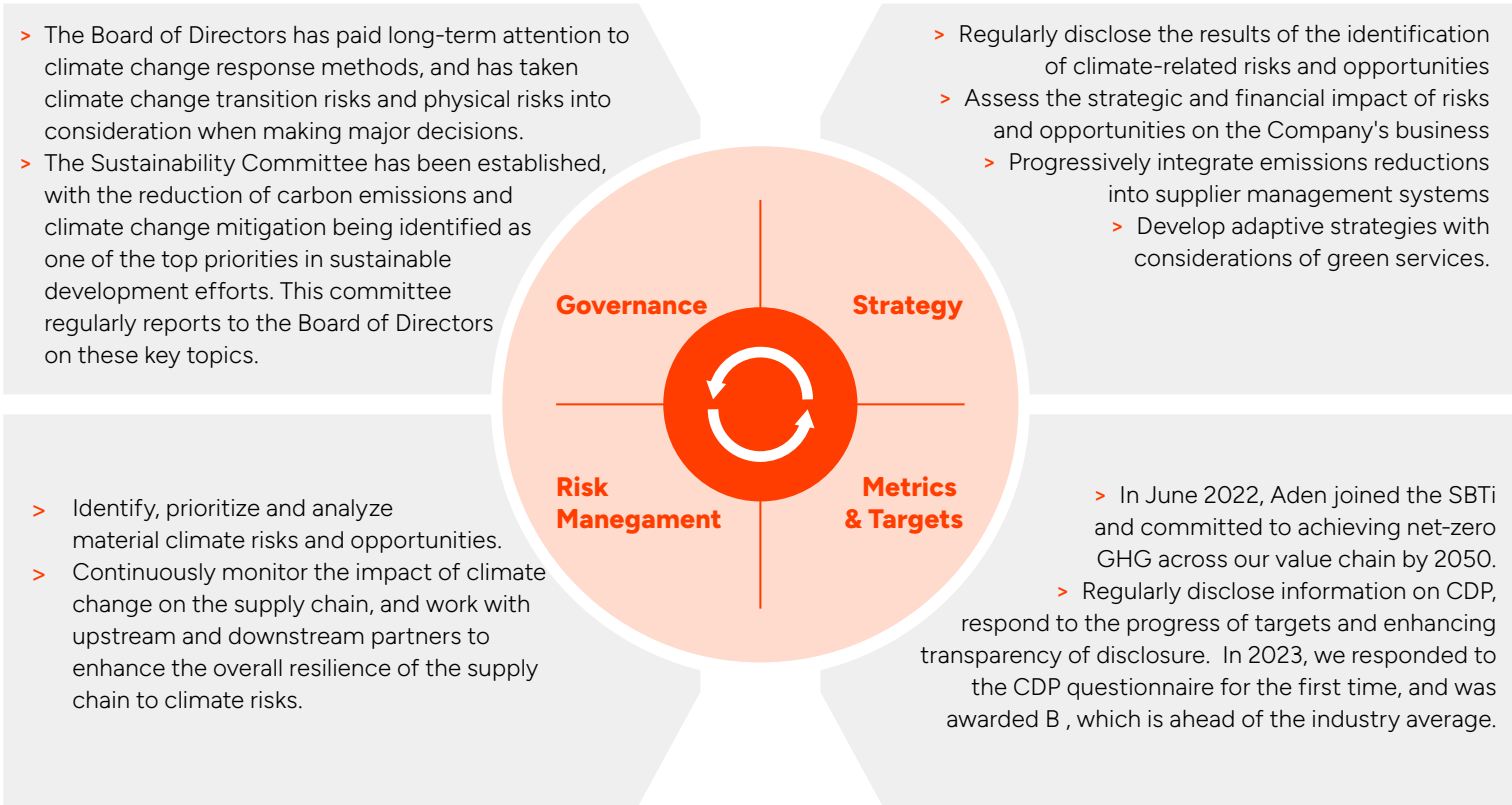
In 2023, the Company did not receive any administrative or criminal penalties, nor did it face events such as orders from relevant local governments or government departments to rectify within a specified period, halt production, relocate, or close down. Additionally, there were no significant lawsuits arising from environmental issues or incidents involving the seizure, retention, freezing, mortgage, pledge, or encumbrance of major assets.

4.2 Climate Change Adaptation and Mitigation

Climate Risk Management

Aden integrates methods for climate change adaptation and mitigation into our business strategy and sustainability goals. The Company is actively involved in external climate change related activities, as well as in internal climate change risk communication to raise public awareness of climate change.

Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company has constructed a climate change management system based on four aspects: governance, strategy, risk management, metrics and targets. The Company conducted climate risk identification, through climate risk response, risk impact path and monetization, scenario analysis and other ways to identify climate risks and key coping strategies, improve climate risk response capacity.



Guided by the TCFD framework, Aden has identified climate risks and opportunities of significant potential impacts, taking into account our own business context, the prevailing environmental conditions, and opinions from experts.

Risk & Opportunity Identification	Description of Risks & Opportunities	Potential Impact		
		Impact Horizon	Value Chain	Finance Impact
Physical Risk	Extreme weather conditions such as typhoons, floods and prolonged droughts can lead to water and power cuts, damage to facilities, and traffic congestion, which may directly or indirectly affect the services provided by the Company to our customers. Changes in long-term weather patterns (rain, snow, hail, etc.) may negatively impact natural resources such as crops, forestry, and insects, and therefore affect the cost of purchasing, transportation, etc. for our food services.	Short-medium term	Upstream, direct operations	Decrease revenues
		Medium-long term	Upstream, direct operations	Increase costs
Transition Risk	Customers and other stakeholders are increasingly concerned about Aden's initiatives and performance in combating climate change. Failure to take proactive action to meet their expectations may result in damage to the Company's market image and reputation. Climate-related regulatory requirements in China are tightening, and Aden need to meet legal and regulatory requirements in our operations and respond in advance to upcoming emerging regulations.	Short-medium term	Marketing & sales	Decrease revenues
		Medium-long term	Direct operations	Increase costs
Opportunity	In the background of China's dual carbon goal, stakeholders such as customers and partners are increasingly inclined to choose green, low-carbon products and services, and social demand is further increasing. Continuing to develop and provide low-carbon products and services will enable the Company to better adapt to market demand and achieve revenue growth. Measures such as energy management, water conservation and material recycling in the operation process can improve resource efficiency, reduce the consumption of electricity and water resources, increase the utilization rate of electronic equipment and other items, and reduce operating costs. Increasing the Company's resilience to severe climate impacts can improve operational stability and create greater opportunities to capitalize on climate-related prospects.	Long term	Marketing & sales	Increase revenues
		Short-medium term	Direct operations	Decrease costs
		Long term	Direct operations	Increase revenues

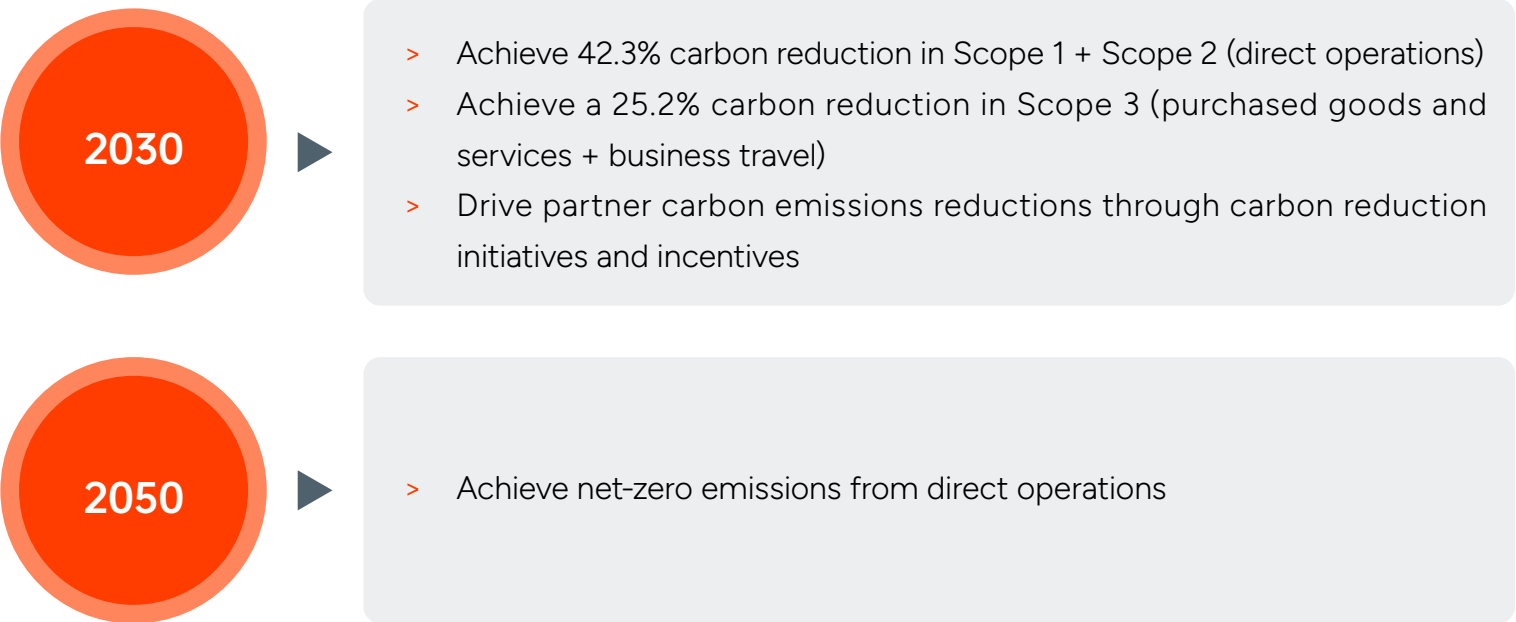
In response to the climate-related risks and opportunities identified by the Company, we have developed comprehensive strategies and actions covering the entire lifecycle for climate change mitigation and adaptation. These are disclosed in this report (see Chapters 3, 4, and 5 for details) to effectively manage climate risks, seize climate opportunities, and continuously create value for the Company.

Carbon Reduction Management System

In the context of global climate change under the Paris Agreement, the Chinese government has proposed a dual carbon goal. As enterprises are considered pivotal in addressing climate change, there exists an urgent need for proactive measures. In 2022, Aden signed and submitted the commitment letter to SBTi, publicly stating our intention to establish science-based carbon targets and strive to achieve net-zero emissions across our entire value chain by 2050.

During the reporting period, the Company conducted carbon accounting for all branches and subsidiaries in accordance with GHG Protocol requirements, laying a solid foundation for energy conservation and carbon reduction (see Chapter 9 Quantitative Performance for details).

Based on the carbon accounting results, Aden set science-based targets for 2030 and 2050 for Scope 1 and Scope 2 emissions, using 2021 as the base year. These targets were disclosed in the 2023 CDP Climate Change questionnaire.



4.3 Resource Management

Energy Management

Aden pays great attention to energy management and focuses on reducing energy consumption and improving energy efficiency, for which we have formulated a series of policies such as Energy Management Policy and Electricity Conservation Management Policy. The Company's direct energy consumption mainly comes from the gasoline of our own vehicles, while indirect energy consumption mainly comes from purchased electricity. Through effective management measures, we have reduced the use of energy, improved the efficiency of energy utilization, and realized the Company's sustainable development goals in energy management.

Aden's Energy Consumption¹

Energy Type	2023	2022	2021
Total purchased electricity (MWh)	548.05	629.38	700.90
Total natural gas consumption (m³)	145.00	127.00	136.00
Total gasoline consumption (L)	16,265.31	14247.74	14291.44
Total energy consumption (MWh)	693.23	756.55	828.56
Per capita energy consumption (MWh)	0.0858	0.0782	0.0800

1 . The calculation of energy consumption is detailed in the tabular notes of Chapter 9 Quantitative Performance - Energy Management.


In Aden’ s daily operations, there is a strong emphasis on digitalization, enabling online audits of various processes and reducing resource usage (see Section 3.1 Achieving Sustainable Operation for details). Additionally, the Company has implemented several green office initiatives such as optimizing office environments, enabling automatic standby for computers, encouraging the use of public transportation, and transitioning to paperless offices. These initiatives demonstrate Aden's commitment to reducing our environmental impact.

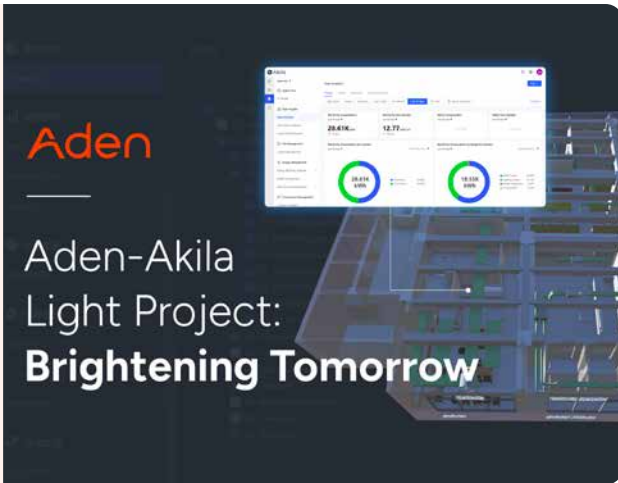
Aden's Green Office Measures (Examples)

Optimization of the office environment	> Installation of an automated lighting control system in office buildings, replacement of all lights with LED lights and use of sensor taps in hand-washing sinks; use of a digital twin model for monitoring and control at headquarters to achieve real-time monitoring and timely management of energy consumption.
Automatic computer standby	> Set all computers to automatically enter hibernation mode after 3 minutes of standby to reduce power consumption.
Encouragement of public transportation	> Encouraged employees to use public transportation to commute to work and reduce the utilization of automobiles.
Paperless office	> Adopt Microsoft 365 shared documents to reduce printing requirements; set up shared printers to reduce the number of printing devices; limit staff color printing privileges to reduce paper and ink cartridge consumption; encourage double-sided printing.
IT hardware and office supplies reuse	> Implement a reuse policy for work computers, mice, monitors, and office supplies among different departments, and arrange for the specialized recycling of all old computers that exceed the service life through qualified third-party contacts.
Reduction of use of plastics	> Encourage employees to bring their own cups or use shared mugs that are cleaned daily to reduce the use of disposable paper cups and plastic cups.

Case Study: Aden and Akila's Light Project for Sustainable Operations

During the reporting period, Aden deployed automated lighting control systems in all meeting rooms at HQ. The Company also established multiple automatic switch-off intervals to test and determine the most energy-efficient and comfortable lighting control durations. All processes will be tracked and recorded as part of our greenhouse gas control efforts, with relevant data and results of GHG control recorded on the Akila platform.





Water Resources and Wastewater Management

Aden primarily relies on municipal water supply, and it does not involve significant direct or indirect impacts on water resources from changes in water intake, consumption, discharge, or storage. The Company has developed the Water Conservation Management Policy and other policies. Through regular communication and extensive publicity, the Company continuously enhances employee awareness of water conservation.

The Company adopts automatic sensor faucets in the restrooms of the office building, and sets up water-saving posters in the restrooms, tea rooms and other water-intensive areas, aiming at prompting all the employees of the Company to actively participate in the joint efforts to realize the effective management and saving of water.



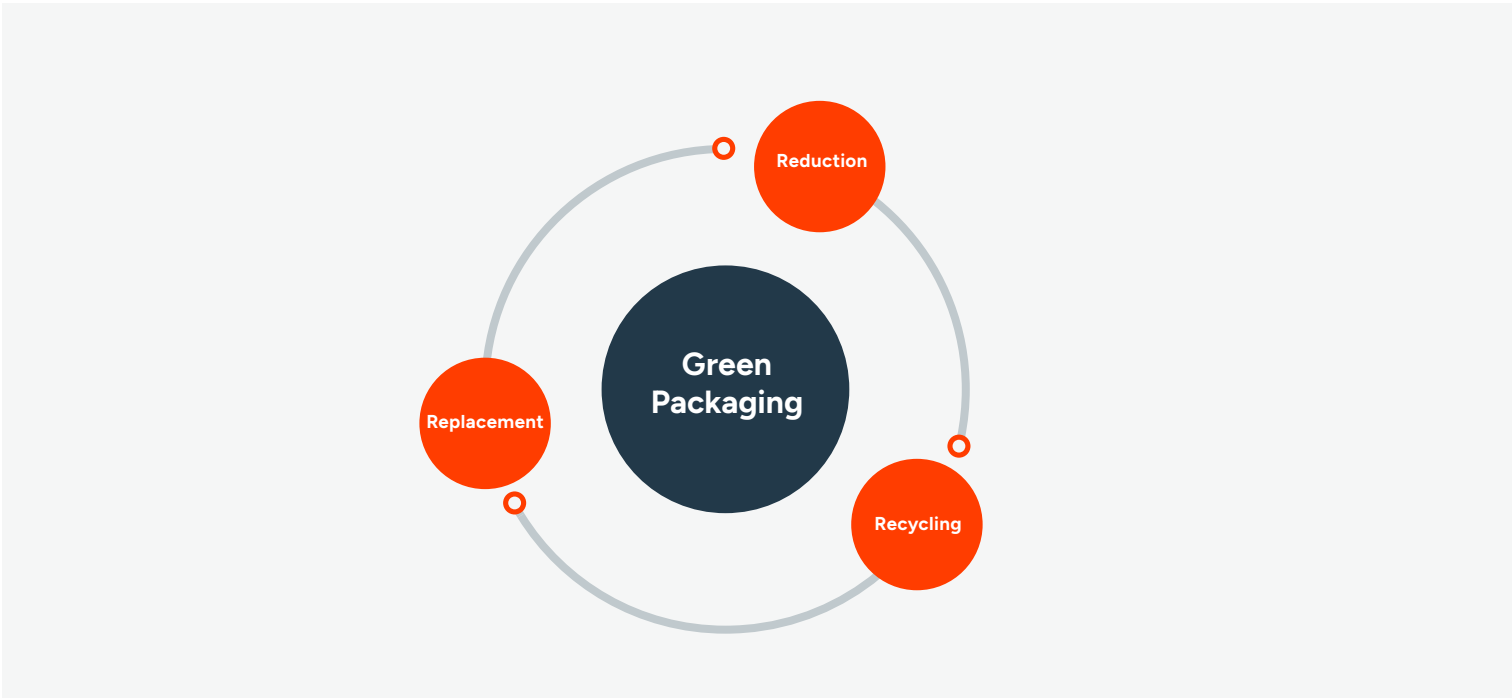
Aden Water-saving Posters (Examples)

Aden's Water Usage			
	2023	2022	2021
Water consumption ¹ (tons)	100,008	120,403	127,350
Wastewater (tons)	80,006	96,322	101,880

1. The calculation method of water consumption and wastewater of the Company is referred to GB/T 50331-202 Standard of Water Consumption of Urban Residents (2023 edition), and the per capita water consumption is taken from the water consumption of Shanghai region and converted by working hours. The formula for calculating the amount of wastewater is referred to the Manual of Accounting Coefficient of Domestic Pollution Sources' Production and Discharge issued by the Ministry of Ecology and Environment, and the coefficient is 0.8.

Green Packaging

In terms of product packaging, Aden manages the use of packaging materials at the source and promotes management methods such as biodegradable tableware and reusable tableware in the service delivery process.



Aspect	Initiatives
Reduction	Starting from the procurement process of food services, the Company has adjusted the packaging requirements for thick broad-bean sauce, canned food, sugar and other seasonings, upgraded the small packages of purchased products to large packages, and reduced the use of packaging materials by means of optimizing the size and structure.
Replacement	The Company is actively replacing plastics with environmentally friendly materials in all procurement processes involved in business. For example, the Company prefers recyclable materials such as glass bottles or Tetra Pak packaging in procurement to minimize our impact on the environment.
Recycling	In food services, the Company actively uses recycled tableware, such as fully biodegradable plastic spoons and bamboo paper, in campus cafeterias and other projects to replace disposable non-degradable tableware. During the reporting period, the Company spent 255,800 CNY on the procurement of degradable materials, which totaled approximately 4.9 tons in weight.

Green Warehouse and Logistics

The Company has adopted innovative strategies in warehousing and logistics, rationalized the layout and planning of transportation routes, and achieved energy saving and emission reduction by shortening the transportation routes and increasing the loading rate of vehicles, among other measures.



In terms of sustainable transportation, the Company optimizes our delivery methods and integrates transportation routes. Measures such as reducing the number of deliveries, shortening transportation routes, and replacing single-point deliveries with multi-point deliveries effectively reduce environmental impact while improving transportation efficiency.

Adjusted the model of multiple suppliers and multiple routes delivery to centralized warehouse delivery to improve delivery efficiency.

Switched from daily delivery mode to “fresh groceries for daily delivery + grains and oil for weekly delivery” mode, reducing the number of deliveries while ensuring food quality.

Optimized and integrated delivery routes, using large vehicles for multi-point deliveries at once, replacing the single-point delivery mode of small vehicles.

Case Study: Aden Shanghai DLC Integration Route Project

In 2023, the Company replaced the original fleet of four 2-ton load capacity vehicles with three 3-ton load capacity vehicles. Through route optimization and integration, the total driving distance was reduced by approximately 100 km from the previous 390 km. This initiative significantly reduced diesel consumption and consequently decreased emissions of waste gases and GHG.



In sustainable logistics packaging, the Company enhances packaging utilization by reusing packaging materials (such as recyclable storage containers) and substituting packaging materials, thereby reducing the usage of plastic.

4.4 Emissions and Waste Management

Emissions and Waste Management

Aden has developed management policies such as the Solid Waste Management Policy, Chemical Safety Management Policy, and Sanitary and Cleaning Management Policy to ensure proper handling of emissions and waste.

In Aden daily operations, the main sources of emissions come from company-owned vehicles, while solid waste is classified into general waste and hazardous waste. The Company collects and sorts solid waste, recycling it or handing it over to qualified third-party organizations for disposal according to the type of waste, effectively reducing our environmental impact.

In 2023, Aden did not incur any penalties for exceeding emission or waste standards or for illegal emissions.

Category	Emissions and Waste Types	Main Treatment Measures	Emission Standard
Exhaust Emissions	NO _x , PM, SO ₂	Promoted employees to travel by public transportation and reduce the use of official vehicles	Comprehensive Emission Standard of Air Pollutants (GB16297-1996)
General waste	Waste packaging Food waste, other household waste	Paper products, plastics, etc. were collected and sold Handed over to a qualified organization for regular disposal	Pollution Control Standard for Solid Waste Incineration (GB18485-2014)
Hazardous waste	Printer cartridges, waste lamps, batteries, waste electronic products	Electronic waste was collected in exclusive recycling bins; all hazardous waste was disposed of by qualified organizations on a regular basis	Hazardous Waste Identification Standard (GB5058.7-2019)



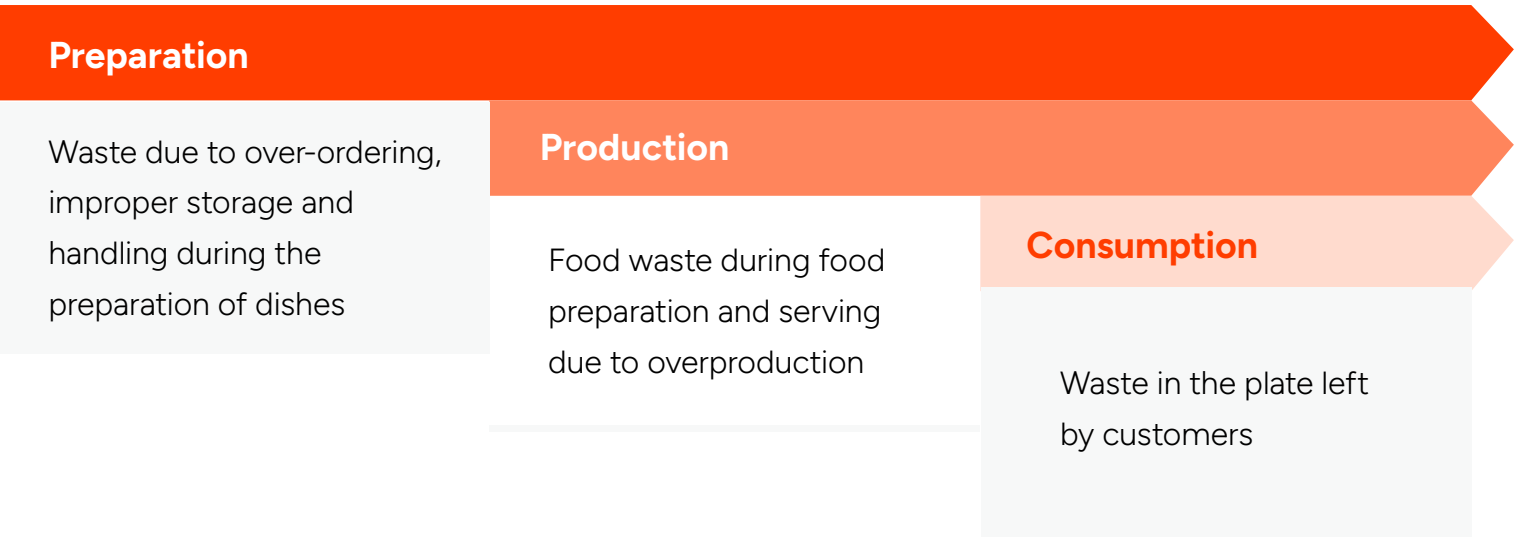
Electronic waste recycling bin set up by Aden in collaboration with the Green Initiatives

Food Waste

Aden not only conducts waste classification and management within internal office areas but also actively assists clients in comprehensive waste management. In our food services, the management of food waste is a key task. The Company is committed to continuously reducing food loss and waste, by implementing preventive and responsive measures at the front end, and ensuring the compliant disposal of kitchen waste generated at the back end. The Company has developed the Aden Food Services Operation Policies and the Preventing Food Waste Policy, which specify scientific methods for managing food loss and waste, as well as kitchen waste disposal.

We evaluated the food services we provide and clarify the three steps where food loss and waste are generated: the food preparation, production, and consumption. In response to these steps, we formulated and adopted measures to prevent and minimize food loss and waste, and continuously reduce the consumption of resources.

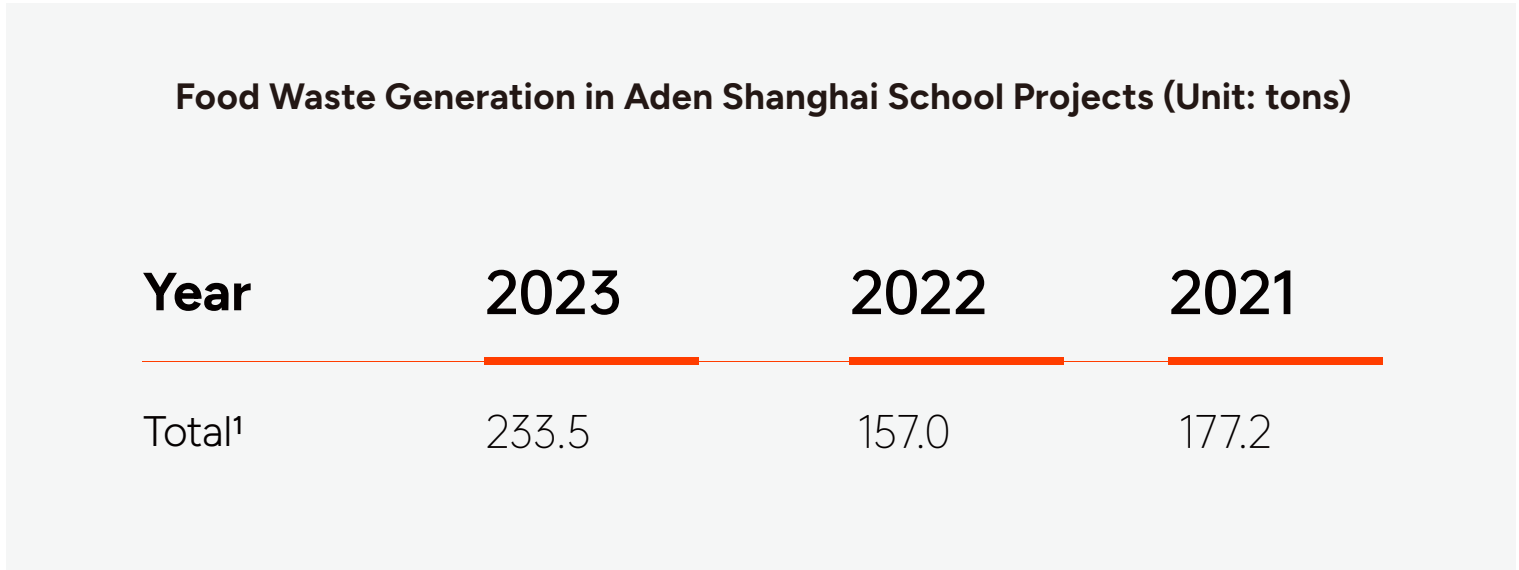
Aden Food Loss and Waste Generation



Aden Food Loss and Waste Response Initiatives

Process	Initiative	Responsible team/person
Preparation	Aden employs precise demand forecasting and inventory management to minimize unnecessary waste, focusing on preparing only the necessary ingredients to avoid excessive food preparation. During the reporting period, the Company implemented an online dashboard for food product ordering in the supply chain, gradually achieving full-process online management of food purchasing, laying a data foundation for accurate project demand estimation.	Head of Food Services, head of strategic operation, Supply Chain, Strategy & Transformation
Production	In terms of food preparation and supply, the Company provides quantified meal services to ensure that everyone receives an appropriate amount of food while avoiding overproduction. Batch cooking (cooking smaller portions upon need) is carried out as well.	Catering Business Operations Specialists
Consumption	At project sites, the Company organizes activities to reduce food waste and raises awareness about our impacts. By encouraging individuals to take only what they need, use food responsibly, and increase awareness of food waste issues, we aims to minimize waste. During the reporting period, the Company conducted daily plate waste statistics at international school projects and promoted activities such as UN SDGs themed events and clean plate competitions, advocating for joint action among students, teachers, and parents.	Site Operations Managers



For food waste already generated in our food services, we ensure that it is properly disposed of. In the Shanghai region, we actively respond to governmental strict waste classification management requirements. We have signed cooperation agreements with City District Waste Management Centers, which are responsible for the collection and classification of our household waste (including kitchen waste and other household waste). By partnering with the waste management center, we ensure accurate waste classification while streamlining the process, eliminating intermediate steps such as community or industrial park management. This enables efficient transportation and disposal of waste.



1. Due to the temporary closure of project sites for several months as a result of the pandemic, the annual data for the year 2022 is smaller than actual. Additionally, data for the year 2021 is smaller than actual due to data collection starting from September 2021 for seven project sites. In the future, the Company will continue to improve data collection mechanisms and expand the scope of data collection.

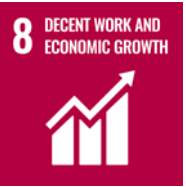
Case Study: Aden School Food Waste Reduction Project

During the reporting period, Aden implemented a series of measures in schools to cultivate students' habits of conserving food. These measures included daily monitoring and supervision of all food waste, daily promotion of the clean plate culture, and regular clean plate competitions.



05 Service Excellence and Continuous Pursuit of Innovation

As a leading IFM company in China, Aden is committed to providing first-class services and products. In our food services, we prioritize food quality and safety while focusing on the health and well-being of our customers. In all of our businesses, we place a high priority on the innovative development of our services to continuously create value for our customers. In supply chain management, we are committed to building a responsible supply chain system to ensure high quality development of the IFM value chain.



5.1 High-quality Services

Quality Management

Aden knows that quality management is an indispensable element for successful IFM solutions. The Company strictly abides by the Law of the People's Republic of China on Product Quality and other laws and regulations, builds up quality management capability in the whole process, and continuously improves service quality.

During the reporting period, the Company and its branches and subsidiaries obtained ISO9001: 2015 quality management system certification, set quality management objectives annually, conducted regular reviews, actively sought improvement points in quality work, so as to ensure that the Company's service quality has a good market competitiveness while meeting customers' expectations.

Through project quality management, supplier quality management, customer service quality management, quality management audits, and comprehensive staff quality training, the Company achieves full lifecycle quality management of services and products.

Aden Quality Management System and Policies

Quality Management System	Quality Management Policies
ISO9001: 2015 Quality System	Development of management policies such as Document Management Operation Procedures, Management Review Control Procedures, Internal Audit Control Procedures, Corrective and Preventive Control Procedures, Nonconforming Product control Procedures, Objectives and Indicators Control Procedures, Information Exchange, negotiation and Communication Control Procedures etc.

Aden’s Certification of ISO9001 Quality Management System

Company Name	BEIJING ADEN HOTEL SERVICES CO., LIMITED
	BEIJING ADEN HOTEL SERVICES CO., LIMITED SUZHOU BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED WUXI BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED CHENGDU BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED SHENZHEN BRANCH
	BEIJING ADEN HOTEL SERVICES CO.,LIMITED SHANGHAI BRANCH
	SHANDONG ADEN HOTEL SERVICES CO., LIMITED
	SHAANXI ADEN SECURITY SERVICES CO., LIMITED
	WUXI ADEN SECURITY SERVICES CO., LIMITED
Valid Until	ZHEJIANG ADEN SECURITY SERVICES CO., LIMITED
	25 February 2027

Aden Life Cycle Quality Management System

Project Quality Management	Standardized the quality inspection operation process, through the project site quality inspection, timely finds the corrects the issues in the site services management, to ensure services management meet the standards. For security services in facilities management services, all security personnel have received training on human rights policy, which covers non-use of degrading force measures, prohibition of discriminatory acts, etc., to ensure that human rights are not violated through the use of excessive force in the performance of security tasks.
Supplier Quality Management	Constantly improves the supplier quality system, established access standards, quality assessment, performance appraisal according to the type of supplier, and ensured and improved the quality of its products and services through supplier ability training, supplier incentive plan and other means. For the products and services provided by suppliers, it is required to provide certification or qualification in line with national and industry standards, and protect the safety and health of relevant personnel. Chemicals need to be provided with Material Safety Data Sheet (MSDS), and all food suppliers need to provide corresponding licenses.
Customer Service Quality Management	We have established a sound customer service quality management system (see "Customer Service Management" in the next section for details), and are making continuous efforts to improve customer satisfaction.
Quality Management Audit	We regularly review and improve the quality management system from four aspects: internal audit, risk assessment, audit and continuous improvement to ensure the effective operation of the system.
Quality Training	Establish a quality management training system at the company level, department level and project team level, and carry out quality training by combining online and offline methods, covering all Aden employees (see 6.3 "Employee Training and Development" for details).

In 2023, the Company conducted 1,444 trainings on product quality and safety for new employees, on-the-job employees, employees in key positions and engineers, covering ISO9001 quality system, job responsibilities, service awareness, service etiquette, food quality and safety, nutrition etc., with a total training time of 52,058 hours. The training covers 100% of employees, and the average training time is 6.44 hours.

Customer Service Management

Aden upholds the concept of customer first, and is committed to providing high standard services and improving the Company's service quality in all aspects. The Company has set up a sound customer service system in all business lines, covering sales services, customer communication activities, etc. In 2023, the Company's customer complaint settlement rate was 95%

2023 Aden Customer Communications Key Measures

Sales Service:

- > Wide domestic service network: setting up technical support, service hotline and mailbox, timely responses to customer needs;
- > Professional service team: customer demand-oriented service model, the establishment of professional customer service team, to provide customers with professional and timely service.

Customer Engagement Activities:

- > Through participation in exhibitions, business forums, etc., Aden showcases the quality services and innovations, and discusses optimized solutions with customers to promote industrial change and sustainable development;
- > Joining the International Facility Management Association (IFMA), Urban Land Institute (ULI), European Union Chamber of Commerce, French Chamber of Commerce, British Chamber of Commerce (BritCham) and others.

Customer Satisfaction Management:

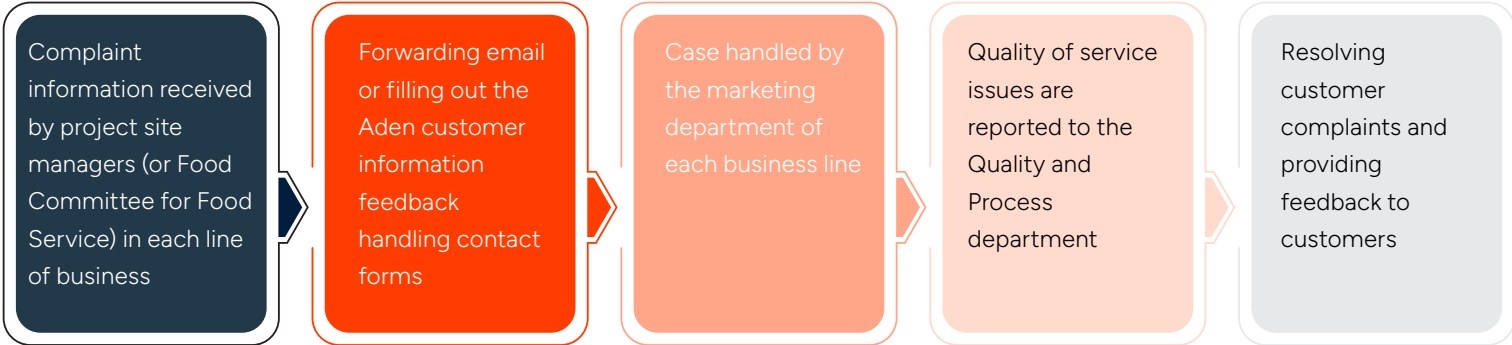
Aden surveys customer satisfaction in two ways:

- > Regular visits to customers to collect their comments about the Company;
- > Conducting comprehensive satisfaction surveys and return visits for customers every year.

Customer Privacy Protection:

- > Maintaining customer information security by establishing a complete information security management system.

Aden’s Customer Complaint Handling Process



5.2 Safety and Quality of Food

Aden strictly abides by food safety and quality and is committed to providing customers with safe, delicious and nutritious food. We strictly follow the Food Safety Law of the People's Republic of China and have established a food safety and quality management system throughout the entire value chain to comprehensively supervise and guarantee the establishment and implementation of food safety management systems and standards.

Aden's certification of ISO 22000 Food Safety System Certification

Company Name	BEIJING ADEN HOTEL SERVICES CO., LIMITED
	Shanghai ADEN HOTEL SERVICES CO., LIMITED
	BEIJING ADEN HOTEL SERVICES CO., LIMITED SUZHOU BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED WUXI BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED QINGDAO BRANCH
Valid Until	25 October 2026

Aden Food Quality and Safety Governance Framework

Board of Directors

- > The Board of Directors has overall responsibility for overseeing the company's risk management framework

Executive Committee

- > Comprised of several department heads including the operations director of Food Service, Finance, Human Touch, Head of HSE (Health, Safety and Environment) and Commercial head
- > Conduct regular meetings to assess risks, oversee internal controls, and determine strategies and methods to enhance compliance

Business management team

- > Comprised of head of Food Service, business operations specialist, and strategic operations supervisor
- > Comprehensively assess supplier/logistics/restaurant risk management and formulate measures to prevent problems before they occur

Supply Chain

- > Supply chain risk assessment meetings
- > Strict food safety audits of suppliers and logistics centers
- > Establishment of a safety traceability system for food purchases

On-site operations team

>

Daily operational inspections by program site managers

>

All program sites have appointed Food Safety Managers

>

All staff at the program sites are required to sign a food hygiene agreement before starting work, and are required to undergo food safety training and assessment

Quality & Process department

>

Food safety and quality audit

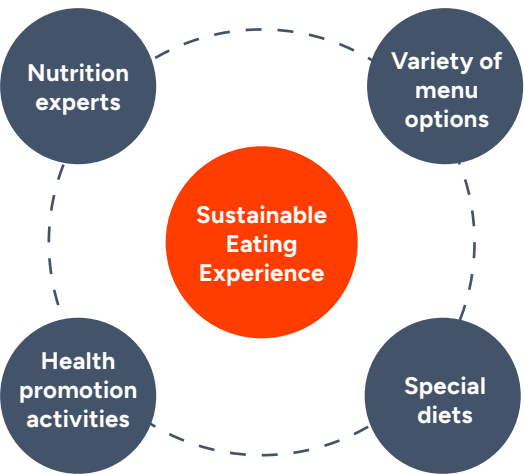
Aden’s food services have been recognized by our clients on numerous occasions. Our operations team has repeatedly received letters of appreciation from the leaders of several project sites across the country.

Aden fulfills our commitment to food safety, implements full-process safety traceability of food, truthfully records and maintains key information such as incoming inspection, transportation inspection, food provision, etc., and uses information technology to continuously optimize the food safety traceability system.

The Company has established a comprehensive prevention mechanism and response strategy for food safety incidents, and has provided specialized training to all employees of the food services. The Company has set up a detailed response process to immediately conduct preliminary understanding of the situation, report to supervisors and activate crisis management procedures upon receipt of complaints or information, in order to safeguard food safety and continuously enhance customer satisfaction. During the reporting period, Aden had 0 food safety incidents.

5.3 Nutrient and Health Opportunities

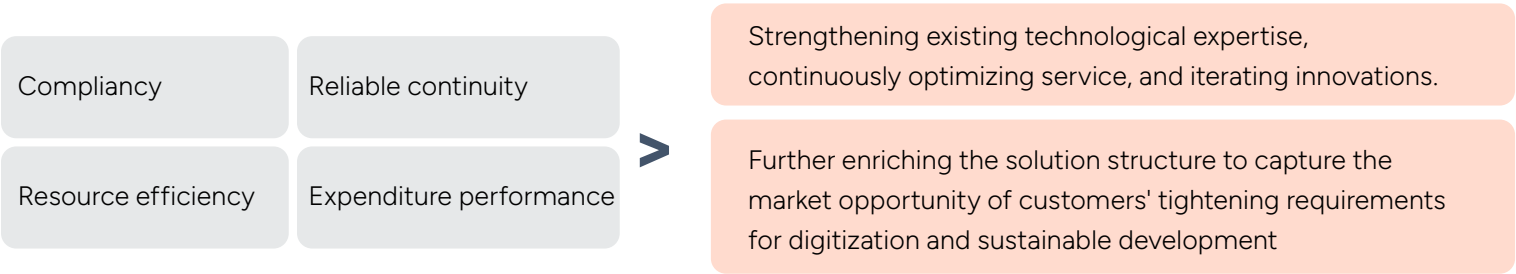
In the provision of food services at Aden, we actively reference the Chinese Dietary Guidelines for Residents (2022 Edition) and the Chinese Resident Balanced Diet Pagoda published by the Chinese Nutrition Society, as well as relevant guidance documents and regulations on Food and Dietary Supplements issued by the U.S. Food and Drug Administration (USFDA). Through meticulously designed diverse menus, consideration for special dietary needs, health promotion activities, and collaboration with nutrition experts, we strive not only to provide delicious cuisine but also to prioritize our customers' health and well-being. Our efforts aim to support customers in achieving healthier lifestyles.



Aspect	Initiatives
Variety of menu options	A variety of nutritional menus are carefully designed to meet the health needs of customers (e.g. pregnant women, unwell children, hospital patients), covering a wide range of tastes and dietary needs
Provision of special diets	Provide plant-based, low-calorie and other specialty meal options to meet the needs of different customers while reducing GHG emissions from food Partnering with plant-based food industry companies such as Zrou and MetaMeat to conduct plant-based meat tasting events
Collaboration with nutrition experts	Aden's full-time nutrition experts guide dish purchasing, ingredients and processing, and customize recipe nutritional guidance to ensure our menus meet nutritional standards Catering program employees receive quarterly training on dietary knowledge, learn the skills of making low-salt, low-oil and low-sugar dishes, and innovate and improve recipes based on nutritional and health principles
Health promotion activities	Through media platforms (WeChat, Aden website, etc.), we publicize nutritional knowledge and scientific cooking methods from various perspectives, guiding our customers to establish scientific and healthy eating habits In international school programs, organize "Meatless Day" and other activities every month to promote the concept of scientific and healthy diet to teachers, students and parents, and received unanimous praise. Organized a MetaMeat plant-based meat tasting event in the cafeteria at Aden's HQ to discuss the use of sustainable food with staff

5.4 Innovation and Technology

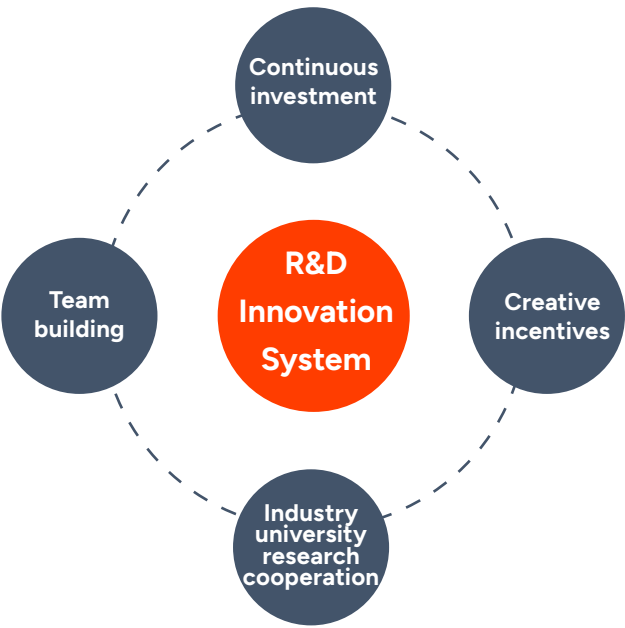
For Facility Management, Food Services, Industrial Technology Services and Building Technical Services, we are oriented to market demand, and we continue to promote research and development (R&D) innovation to strengthen our technological advantages. The Company builds a R&D innovation system and lays out medium and long term technological reserves, laying a solid foundation for the Company to maintain our leading position in the industry.



Aden Four Pillar Strategy for Innovative R&D

2023 Innovative R&D directions

ADEN R&D Innovation System



Team Building	The Company continues to expand the R&D team, and focuses on cultivating a high-quality and high-level R&D team with independent thinking ability, knowledge of market, R&D and application.
Continuous investment	The Company vigorously invested in product technology R&D, and set up a mechanism to unite R&D market and application to promote the high-quality development of the industry.
Creative incentives	The Company set up 20 million CNY innovation fund aimed at supporting and rewarding forward-looking projects and employees.
Industry-University-Research Cooperation	The Company focuses on the cooperation between industry, academia and research, actively establishes various forms of cooperation and collaboration with colleges and universities, research institutes, strengthens communication and cooperation with domestic and foreign counterparts, effectively organizes and applies the social resources to serve for the innovation of the enterprise, and promotes the development and innovation of the industrial technology (for details, please refer to Section 7.2 "Industrial Cooperation and Development").

During the reporting period, the Company achieved R&D innovation results, including: the shift towards a digitalized reporting and operations monitoring, managing compliance through direct access to digital records and increasing the share of predictive maintenance. This is based on a combination of digital platform, IoT, and AI technology.

5.5 Supply Chain Management

Aden divides our suppliers into food suppliers, non-food product suppliers and service suppliers according to business categories. The Company strictly complies with the Civil Code of the People's Republic of China, the Bidding Law of the People's Republic of China and other laws and regulations, and carries out effective whole-process management of suppliers to prevent and control supply chain risks.

The Company is committed to practicing sustainable procurement and building a responsible supply chain with our supplier partners. We require all suppliers to sign the Environmental Health and Safety (EHS) Agreement and the Supplier Social Responsibility Code of Conduct before conducting business with us, committing to comply with all applicable laws and regulations and to consciously fulfill their corporate social responsibility and environmental responsibility.

We have established the Sustainable Procurement Policy and other management documents to standardize and manage the whole process from the approval, assessment and evaluation, and review of suppliers.

Environmental and Social Topics for Aden Supplier Screening and Auditing

Labor Management	Business Ethics	Environment	Health and Safety
<div><div>></div> Prohibition of forced labor</div> <div><div>></div> Zero tolerance for child labor</div> <div><div>></div> Anti-discrimination</div> <div><div>></div> Prohibition of harassment and abuse</div> <div><div>></div> Wages and benefits</div> <div><div>></div> Complaint mechanisms</div>	<div><div>></div> Compliance</div> <div><div>></div> Anti-bribery</div> <div><div>></div> Intellectual property rights</div> <div><div>></div> Fair trade</div>	<div><div>></div> Environmental licensing and reporting</div> <div><div>></div> Pollution prevention and resource conservation</div> <div><div>></div> Waste management</div> <div><div>></div> Energy consumption and GHG emissions</div>	<div><div>></div> Occupational safety</div> <div><div>></div> Emergency preparedness</div> <div><div>></div> Occupational injuries and illnesses</div>

In terms of supplier sustainability training, the Company regularly conducts on-site audits of suppliers and conducts sustainability-related training for key suppliers. In 2023, Aden completed annual audits of 86 suppliers. Meanwhile, training was provided to 18 suppliers.

In the meantime, in order to cultivate a more profound insight into the welfare and aspirations of suppliers’ workforce, Aden initiated an extensive worker voice survey encompassing employees from 29 different suppliers throughout the year 2023. This survey targeted personnel engaged in various roles including production, warehouse management, delivery services, and procurement. Utilizing a combination of telephone interviews and WeChat communication, the Company delved into crucial aspects such as EHS protocols, working conditions, and labor rights. The results of the survey showed that the standards were well complied with, and no non-conformities were identified.

Aden Supplier Sustainability Management Process

Approval	<div><div>></div> Aden adheres to the a comprehensive set of standards, including but not limited to ISO 22000, ISO 9001, and ISO 14001, alongside compliance with local labor and environmental regulations. The Company mandates that all prospective suppliers complete detailed Supplier Screening Forms. The Company then reviews and assess the capabilities of suppliers through a multi-departmental approach</div> <div><div>></div> Aden requires all suppliers to sign the EHS Agreement and Supplier Social Responsibility Code of Conduct during contract-signing stage</div>
Audit	<div><div>></div> The procurement department conducts annual supplier performance evaluations, establishes supplier social responsibility files, and archives evidence and records of supplier evaluation results and improvement measures</div> <div><div>></div> Aden distributes Supplier CSR Questionnaire and Supplier Integrity Questionnaire every year, clarifying management requirements on environment and social responsibility for existing suppliers for CSR auditing</div>
Incentives and Exclusion	<div><div>></div> Aden provides incentives to suppliers showing excellent social responsibility performance, such as recommending them to higher-end customers and increases supplier spend in the future</div> <div><div>></div> For suppliers with unsatisfactory results in supplier performance evaluation, Aden issues rectification plans for non-conformities and urges them to rectify the situation</div>



06

A People-Oriented Warm Workplace

With the vision of "One Voice, One Aden, One Direction", Aden is committed to creating a fair, united and warm working environment. The Company builds a comprehensive employee management system from the aspects of employee rights and benefits, employee communication and care, employee training and development, occupational health and safety, etc., and promotes the growth of talents while enhancing the happiness and cohesion of employees.



6.1 Employee Rights and Benefits

Recruitment and Employment

Aden abides by the United Nations Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the ten principles of the UNGC and other international initiatives and standards. The Company strictly complies with the laws and regulations of the People's Republic of China, including the Labor Law, the Labor Contract Law, the Employment Promotion Law, the Law on the Protection of Women's Rights and Interests, the Law on the Protection of Minors, and the Social Insurance Law. The Company formulated and implemented the Recruitment Prospectus, Employee Handbook, the Preventing Diversity Discrimination and Harassment Management Policy, and the Remedial Procedures for Incidents of Child or Forced Labor, which are applicable to all employees, including full-time employees, contract workers, and any other types of employees. The Company plans the job requirements and develops talent reserve strategies each year according to business needs, establishing recruitment and talent mobility mechanisms. The Company attracts talents from diverse backgrounds through campus recruitment , online recruitment, job fairs, internal referrals, and internal job competitions. The Company adheres to an open and transparent recruitment process, publicly announcing recruitment-related information through various channels to ensure that every job seeker has equal opportunities.

The Employee Handbook provides detailed and explicit explanations regarding employee occupational safety and development, working conditions, labor relations, and other matters. The Company has a zero-tolerance policy for illegal employment, including child labor and forced labor. Complementary to this, specialized labor protection policies such as the Preventing Diversity Discrimination and Harassment Management Policy and the Remedial Procedures for Child or Forced Labor are established to ensure that employees are not subjected to any form of discrimination based on race, nationality, age, religion, physical ability, disability, gender, sexual orientation, or political affiliation during the hiring and management processes. Additionally, the Company has established a labor union and signed collective bargaining agreements with the union to safeguard employee rights and welfare. The Company provides training courses on anti-discrimination and anti-forced labor for employees on the Aden Academy platform to continually enhance awareness of protecting employees’ rights.

Aden pays attention to the expression and realization of female employees' rights. In addition to providing maternity leave, breastfeeding leave, prenatal examination leave, and childcare leave in accordance with local regulations, the Company also provides fair and equal employment and promotion opportunities for female employees. As of the end of 2023, the Company had a total of 4,896 female employees and 3,187 male employees, with female employees accounting for 60.88% of the total workforce.

Proportion of Female Employees in Total Workforce in 2021-2023



With the deepening of social aging, re-employment of retirees has become the new normal. Aden employs retirees and provides diversified and personalized training while protecting the rights and interests of employees, actively creating conditions for the re-employment of retirees. As of the end of December 2023, Aden's retirees accounted for 35% of all direct employees; among outsourced, dispatched and flexible employees, the number of retirees accounted for 38%.

During the reporting period, the Company did not receive any reports of employee discrimination, forced labor, child labor, etc.

Aden Employment and Rights Policy

Aspect	Initiatives	Policy
Employment	<div><div>> Equal recruitment of employees and no discriminatory behavior towards any employee</div><div>> Prohibition of forced labor: Record attendance on time, regularly check work intensity, and promote the work-life balance</div><div>> Elimination of child labor: Ensure that interviewees are of legal working age at the time of recruitment, eliminating child labor at its source</div><div>> Some job postings were clearly labeled as "accepting people with disabilities" to provide more equal work opportunities for people with disabilities</div></div>	Employee Handbook, Preventing Diversity Discrimination and Harassment Management Policy, Remedial Procedures for Incidents of Child or Forced Labor
Dismissal	<div><div>> Conducting employee dismissal in strict compliance with labor regulations</div></div>	Employee Handbook
Working hours & Leave	<div><div>> Working hours: The standard working hours are 40 hours per week; the Company strictly follows the attendance management system in working hours arrangement, and gives overtime pay or holidays to employees for overtime work, so as to maintain the balance between employees' work and life</div><div>> Overtime: Control of overtime, rationalization of work and life</div><div>> Leave: Paid annual leave, marriage leave, bereavement leave, maternity leave, sick leave, etc., are implemented in accordance with national regulations</div></div>	Employee Handbook
Wage & Allowance	<div><div>> A fair and competitive compensation system based on performance traction</div><div>> Subsidies or allowances for transportation, travel, etc. that vary according to the needs of the job or position</div></div>	2023 Individual Performance Award Goals Guidelines, Guidelines for Compensation Review, Standard Operating Procedures for Monthly Performance Bonus, Standard Procedure for Sales Incentive Policy
Appraisal & Promotion	<div><div>> Promotions are not limited by seniority or rank; priority is given to abilities and qualities. Outstanding talents and contributors may be fast-track promoted</div><div>> Performance appraisal results serve as a significant factor in employee promotions. A dual-track promotion mechanism is established, catering to both professional and managerial roles</div></div>	Employee Handbook

Employee Benefits

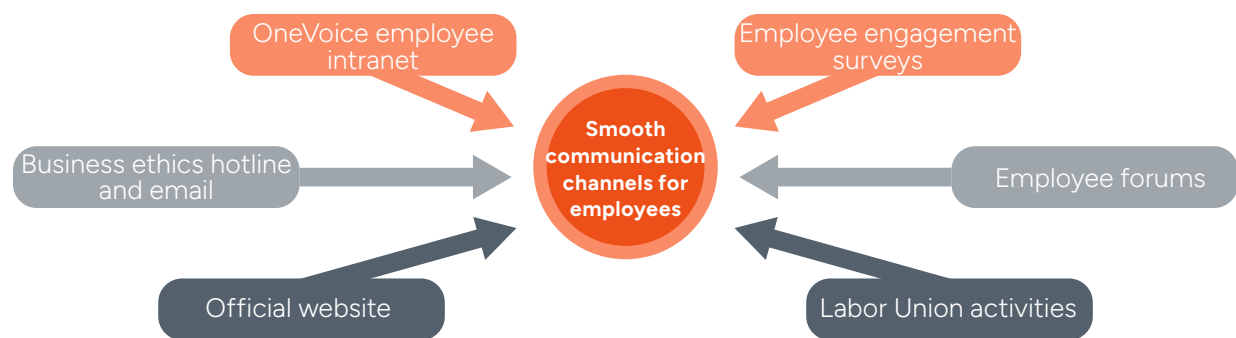
The Company provides a comprehensive welfare system for our employees, adding supplementary benefits and special benefits on top of the statutory fixed benefits. Among them, the Company sets up special benefits for front-line employees, such as free staff dormitories or housing subsidies, free working meals, full attendance awards, seniority awards and other incentives.

Statutory benefits	<ul style="list-style-type: none">> Statutory benefits such as social insurance and housing provident fund> Provide employees with annual leave, statutory holidays, marriage leave, bereavement leave, paternity leave and breastfeeding leave
Daily benefits	<ul style="list-style-type: none">> The Company provides high-temperature subsidies in summer, commercial insurance, supplementary medical insurance, holiday events, etc.> The Company organizes irregular employee gatherings, sports competitions, and birthday parties to enrich the lives of employees and enhance team cohesion
Special benefits	<ul style="list-style-type: none">> Specialized benefits for front-line employees

6.2 Employee Care and Communication

Employee Communication

Aden actively listens to employee feedback and continuously enriches communication channels and methods. Through various forms of communication channels such as the contact email address on the Company's official website, the business ethics hotline (as detailed in the "Business Ethics" section), the employee intranet "OneVoice", employee forums, employee engagement surveys, and the labor union, the Company has established a smooth and transparent communication environment.



The Company listens to employees' voices in various aspects. Employees can provide feedback through the above channels on issues such as child labor, forced labor, employment compliance, harassment and discrimination, care for vulnerable groups, and welfare and safeguards. Aden categorizes and summarizes the collected employee communications, and formulates corresponding follow-up plans with reference to the type and urgency of the communications to ensure that the relevant issues are improved in a timely manner. In addition, in order to better protect the privacy of employees, the Company has established internal management standards to ensure that communication matters are only known to the receiving personnel and relevant personnel. In 2023, Aden did not receive any reports related to social responsibility (including child labor, forced labor, discrimination and harassment).

Aden conducts employee engagement surveys every 1-2 years. In April 2023, the Company launched the "From Good to Great: Employee Engagement Initiative" and conducted an anonymous questionnaire survey among all employees. The survey covered aspects such as job involvement, employee expectations, and improvement suggestions. With a participation rate of 97.4%, the survey results revealed an employee engagement score of 57.92%, which aligns with the average level in China according to the Aon Hewitt model.

Following the success of the employee engagement webinars, Aden conducted workshops in different offices and integrated and analyzed the recommendations of employees in all regions, covering areas such as salary and salary packages, flexible working hours, physical and mental health, training and development opportunities, internal communication and recognition. To further fulfill our commitment to employee well-being and company development, we have identified 15 action plans across three dimensions: workplace happiness, learning and development, and internal communication. By the end of 2023, 10 of these action plans had already been initiated.



Employee Engagement Program Kickoff Meeting







Employee Engagement Workshops

Employee Care

Aden attaches importance to the work-life balance of our employees, continuously upgrading employee benefits, and enhancing their overall sense of well-being and fostering a strong sense of unity within the organizational culture through diversified employee care activities.

Aden Employee Care Actions (examples)

<div></div> <div>Female Care</div>	<div><div>> The Company set up mother's rooms to facilitate breastfeeding employees and provide maternity allowance for employees who gave birth to children</div><div>> Bionic flower making activities for female employees on March 8th Women's Day</div><div>> Set up the Executive Committee of ADEN Shanghai Women's Association to build a platform for different service needs of female employees.</div></div>
<div></div> <div>Employee Care</div>	<div><div>> The office is installed with air sensors to monitor air humidity and air quality in real time, and is decorated with a large number of green plants to enhance the comfort of the working environment.</div><div>> Provide a long-term Employee Assistance Program (EAP) to assist in solving employees' personal problems and preventing psychological crises</div></div>
<div></div> <div>Internal Sale Benefits</div>	<div><div>> In 2023, Aden organized 2 multi-brand joint internal sales events, providing employees with products of high cost-performance ratios.</div></div>
<div></div> <div>Interest-based Training</div>	<div><div>> Provides interest-based training in crafts, painting, etc.</div></div>



Mother's Room at Aden HQ

Case Study: Aden Shanghai Women's Federation Established

In October 2023, under the guidance of the Women's Union of Tianping Street, Xuhui District, 51 women representatives of Aden Shanghai attended the online and offline meetings. Through a voting process, the executive committee of Aden Shanghai Women's Federation was elected. Isadora Dong emerged as the inaugural chairperson of the executive committee, alongside 11 colleagues who were elected as committee members. The Federation is committed to prioritizing the advancement and personal growth of female employees. Its objectives include assisting women in navigating career development, fostering self-improvement, and promoting work-life balance among women in the workforce. Moreover, the federation aims to empower women to embrace new opportunities, break barriers, and lead vibrant lives.



Case Study: Employee Winter Safety Training Series

Beginning in January 2024, Aden has joined forces with regional training and operations experts to bring a series of safety training programs to all employees. The Company hoped that through the training, the majority of employees in each region could improve their awareness of: traffic, telecommunication fraud, fire prevention, influenza and other safety issues, so that together they could have a pleasant and happy Chinese New Year holiday.



Case Study: Employees Belonging Training held by Training Team at Shanghai Site

On January 18, 2023, Aden Recruitment Training and Development was invited to one Shanghai project site to provide a wonderful cultural development activity for frontline employees. In the development activity part, the training managers jointly led the activity of "Dumb People Build Tower", the employees were very engaged and expressed that it was very rewarding, and they experienced the skills of how to build good communication and trust in the workplace, and how to manage the team and reach the goals effectively.



Case Study: Aden Organizes Ukulele Painting Event to Promote Team Bonding

In December 2023, the Aden labor union organized a ukulele painting event, inviting team members from different departments to join in, enhancing communication among employees in a relaxing and enjoyable atmosphere.



6.3 Employee Training and Development

Employee Training

The Company values talent development to enhance employees' overall competencies, elevate management standards, and meet the needs of both company growth and employee advancement. In line with the Company's business expansion and organizational development requirements, the parent company Aden Group has established various systems such as the Aden Group Training Management Policy, Aden Group Talent Promotion and Development Policy, Management Trainee Program, Mentorship Program, and Internal Talent Mobility Program Introduction and Process Policies. These policies provide diverse training plans for all employees within the group and are strictly implemented. The Company evaluates the execution of training through training monthly reports and training audit assessments.

Aden continuously enhances our training system through a combination of online and offline methods, and internal and external training support. It has constructed a training system consisting of general skills, sustainable cultural awareness, professional skills, competency, and leadership training. The training targets all levels of Aden employees, including full-time, contracted, and part-time employees. Given that 95% of Aden employees are frontline workers at project sites, the Company has developed training materials such as the Aden Business Skills Manual and the Site Management Training Manual specifically for frontline workers. Additionally, it has devised the Aden Site Staff Compulsory Course Plan, covering a range of professional courses including new employee orientation, mentorship, service attitudes and behavioral standards, work safety, traffic safety, teamwork, stress management, communication skills, and others, through a combination of online and offline methods.

Aden Training & Development System



To facilitate employees in accessing training materials more efficiently, the parent company has established the Aden Academy (ADAC) on the Lynx digital learning platform. The ADAC is primarily composed of training teams, experts, and certified instructors from various regions of Aden. It is responsible for planning, improving the training system, organizing training implementation, and reporting to drive comprehensive training development for all Aden employees. The Lynx platform hosts 1,800 internal learning courses and materials, as well as 870 external workplace general learning courses, covering a wide range of workplace learning and development needs for employees. Aden's "To be Adener" training covers mandatory courses for employees, and all new employees must complete the training before starting work. The ADAC organizes annual learning events for all employees and conducts Lynx learning competitions to promote the development of Aden as a learning organization.

By the end of December 2023, the Company has completed a total of 1,655 training sessions, covering management ability, professional technology, production safety, general occupational ability, environmental protection, energy and climate, laws and regulations, labor human rights and other aspects. In offline trainings, the Company achieved 158,288 person-times for a total of 194,164 hours covering 100% of employees; In online learning, the Company achieved 10.4 hours of training per capita, covering 95% of employees. During the reporting period, 100% of new employees completed courses such as Employee Handbook, EHS Training, Anti-Corruption and Corruption and Social Responsibility.

In 2023, the Company completed updates to the Security Skills Mini-Manual, the Meal Preparation Skills Mini-Manual, and the Cleaning Skills Mini-Manual. By the end of 2023, the Company's training coverage for frontline employees in the field reached 100%, with 3.5 hours of mandatory training per capita.

Case Study: ADAC Training at Xi'an Branch and Key Customer Sites

In August 2023, ADAC carried out a series of site management training in Xi'an Branch and its key client projects, with the participation of site supervisors and lead instructors from key clients, as well as frontline employees on site. Employees shared their insights through ice-breaking game sessions to promote open communication among team members while further implementing the empowerment of training and development for Aden's business. After the training certification, participants shared their best practices in applying what they had learned in their workplaces by shooting small videos of instructor demonstrations, spreading the experience and skills gained from the training to more colleagues and realizing the goals of experience sharing and performance improvement.



Employee Development

Aden attaches great importance to the career development of employees and has formulated the Employee Career Management System to provide employees with dual channels of professional and management career development. By continuously refining and optimizing career development and incentive mechanisms, we aim to create a positive and opportunity-rich work environment that inspires employees to unleash their potential, grow together, and share success.

Annual performance appraisal results serve as a crucial basis for employee promotion. The Company has established the Guidelines for Compensation Review, which set clear performance indicators and objectives. This enables the Company to objectively evaluate employee performance and provide targeted feedback and development suggestions.

In addition to performance appraisals, Aden motivates employees through a variety of incentive mechanisms. Policies such as the 2023 Individual Performance Award Goals Guidelines, Sales Incentive Policy, and Monthly Performance Bonus are designed to encourage active participation in work and help employees achieve their personal and professional goals.

In 2023, based on the results of the employee engagement survey, Aden formulated the Internal Talent Mobility Plan. Through job rotations, transfers, or promotions within the organization, employees are allowed to explore new opportunities, develop new skills, and pursue new career paths within the Company.

6.4 Occupational Health and Safety

Aden prioritizes the health and safety of our employees above all else. Whether in office operations or project site operations, strict adherence to domestic laws such as the Workplace Occupational Health Management Regulations and the Workplace Safety Law of the People's Republic of China is maintained. Additionally, reference is made to international standards such as the Occupational Safety and Health Administration (OSHA) regulations in the United States and other recommended standards. Aden has established comprehensive company management systems and implemented robust health and safety management systems in accordance with ISO 45001: 2018 standards. Continuous efforts are made to enhance the Company's management capabilities in this regard.

Aden Occupational Health & Safety Management

Objectives



0 Serious Incidents and Fatalities at Work (SIFs), 0 environmental accidents, 0 occupational diseases, 0 fires

Policy



Aden Group Quality, Health, Safety and Environment Policy (QHSE Policy)

Management Systems



- > The Company has passed the ISO 45001: 2018 Occupational Health and Safety Management System Certification, and no safety accidents with serious injuries or more than serious injuries to personnel occurred throughout the year.
- > The Company has formulated Hazard Identification and Risk Evaluation Control Procedure, EHS Reporting and Incident Management Procedures, EHS Training and Qualification Management Procedures, Emergency Response Plan and other systems.

Training



All new employees joining the Company and those undergoing job position changes must undergo three levels of safety and environmental education. This comprises service site education as the first-level, business area education as the second-level, and company-wide education as the third-level. Upon successful assessment, individuals are permitted to start their positions. The 3 levels of safety and environmental education includes safeguarding fire safety training.

Aden’s Certification of ISO 45001: 2018 Occupational Health and Safety Management

Company Name	BEIJING ADEN HOTEL SERVICES CO., LIMITED
	BEIJING ADEN HOTEL SERVICES CO., LIMITED SUZHOU BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED WUXI BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED CHENGDU BRANCH
	BEIJING ADEN HOTEL SERVICES CO., LIMITED SHENZHEN BRANCH
	BEIJING ADEN HOTEL SERVICES CO.,LIMITED SHANGHAI BRANCH
	SHANDONG ADEN HOTEL SERVICES CO., LIMITED
	SHAANXI ADEN SECURITY SERVICES CO., LIMITED
	WUXI ADEN SECURITY SERVICES CO., LIMITED
Valid Until	ZHEJIANG ADEN SECURITY SERVICES CO., LIMITED
	25 February 2027

Occupational Health Hazards Identified by Aden and Measures

Process	Occupational Health Hazards	Measures
Office operations	—	<ul style="list-style-type: none">> Employee counseling room established> Office is equipped with a first aid kit with commonly used medications> Office equipped with an automated external defibrillator (AED) first aid kit> 3 levels of safety and environmental education and training
Project site operations (facility management services, industrial technical services, building technical services)	Abrasive wheel grinding dust, talcum powder dust, welding fume, noise, carbon monoxide, nitrogen oxides, ammonia, hydrogen sulfide, hazardous chemical leakage, etc.	<ul style="list-style-type: none">> Employee labor protective equipment wear management> Workplace safety review> Installation of air extraction and exhaust facilities for dust and chemical collection and ventilation in factories> Engineering noise reduction> Employee medical examination for occupational diseases> Level 1 safety and environmental education and training: Lynx platform safety courses, offline safety training at project sites
Project site operations (food services)	High temperatures, noise, slippery floors, fumes, cutting injuries, burns, electric shock, etc.	<ul style="list-style-type: none">> Employee labor uniform and protective equipment Management> Workplace safety review> Installation of ventilation equipment such as cooker hoods in kitchens> Kitchens are equipped with air conditioners, fans and other cooling devices> First-aid kits are available at project sites> Level 1 safety and environmental education and training: online and offline training for food services employees to ensure that they are able to operate and maintain the equipment

Case Study: ADAC Training Landing on Important Client Sites in Shanghai

In September 2023, Aden held the "Team Activities and Safety Month Training" at project site, with 10 employees from the on-site TAM team participating. The comprehensive EHS training was conducted by the HQ EHS manager, with enthusiastic support from the HQ TAM leader. Leveraging this on-site training opportunity, ADAC engaged in discussions with the on-site TAM team on employee engagement, listening to their concerns regarding employee engagement levels. This feedback will help in formulating more targeted training plans and enhancing the overall employee experience. The team activities segment fostered a lively atmosphere, bringing Aden employees closer together and enhancing their sense of belonging. Coupled with Lynx's online exams, which helped on-site employees review the knowledge learned, the on-site training concluded perfectly.



07

Building a Better Society with Communities

Aden is committed not only to our own sustainable development but also to actively assuming social responsibility and collaborating with communities to build a better society. Through initiatives such as establishing public welfare bases, participating in charitable projects, and promoting employment for disadvantaged groups, we contribute to community development. We advocated the "A" charity campaign, encouraging all Aden employees to engage in charitable activities and emphasizing the promotion of environmental conservation efforts. The Company established partnerships with universities, research institutions, and peer companies, fostering collaboration between industry and academia to drive technological innovation and standards development in the IFM sector, thus contributing to the industry's sustainable development.



7.1 Community Engagement and Charity

Facilitating Community Development

Aden considers ourselves as an integral part of the community, strictly adhering to local laws and regulations. We actively engage in meaningful and constructive dialogue with stakeholders in the community. While respecting local cultural customs, we identified and gathered unresolved issues in community development. Taking action to address reasonable demands from community residents, we continuously increased our support for community development efforts.

Aden's Key Initiatives in Community Co-construction

Regular visits and communication	> Regular visits to and exchanges with local community governments
Establishment of public welfare bases	> Established an Aden Charity Base in Xuhui District, Shanghai, to promote the quality and efficiency of local community volunteer work
Promotion of employment for vulnerable groups	> Encouraged the entire company to pay attention to the employment of poor people and the re-employment of retirees in local communities, and provided them with more employment opportunities > Responded to the assistance programs initiated by the governments of the communities in which we operate
Participate in community activities	> Encouraged all employees to participate in volunteer activities organized by the community, including blood donation, examination assistance, environmental protection activities, etc.
Community knowledge dissemination	> Provided employment education assistance for local community members, including vocational skills training, youth employment guidance, etc. > Provided knowledge training for social groups, such as health knowledge seminars, legal knowledge seminars, etc.

Case Study: Aden Participates in the Hand in Hand Village Aiding Program

During the reporting period, Aden continued to participate in the Hand in Hand Village Aiding Program initiated by the Xuhui District Government in Shanghai. Aden paired with Longke Village located in Yuanyang County, Yunnan Province, to support poverty alleviation programs and create positive impacts. The Company provided financial support to Longke Village while also generating employment opportunities for local villagers.



Aden visited Yunnan Province in October 2023

Launching the "A" Charity Campaign

In 2023, Aden launched the "Half-Day Charity" initiative under the slogan of "Empowering Communities through Compassion", encouraging all Adeners to utilize half a day of their working time every year to devote themselves to local community building, charity and public welfare activities to make a positive impact on the society.

Key Initiatives of Aden's "A" charity campaign

Caring for Children	Participated in the Shanghai Butterfly Cup for 5 consecutive years Daily visits to disadvantaged children in special education schools, children's welfare homes and other special institutions, accompanying them to spend holidays or assisting in teaching Invited children from special education schools to participate in fun activities at Aden's HQ, such as baking classes Participated in the "Toward You, Embrace You" autistic children care program Participated in the "Clarity and Sincerity" Mental Health Volunteer Service for Minors
Caring for Elderly	Paid visits to the underprivileged in special institutions such as homes for the elderly, and providing them with companionship and living assistance
Caring for social workers	Visited street sanitation workers in high summer temperature
Charitable Donations	Donated to organizations such as the Shanghai Charity Foundation and the Dong Li Feng Mei School Encouraged employees to donate food, clothing, books, etc. to those in need, such as Aden's "Recycle to Shine" initiative
Environmental Protection	For more details, please refer to the section on "Practicing Environmental Protection".

Case Study: Aden Participated in Shanghai Butterfly Cup

On October 23rd, 2023, the 5th Shanghai Butterfly Cup was successfully held at the T98 Oasis Football Base. The match was organized by Shanghai Debra Butterfly Baby Center, aiming to help Butterfly Babies, children suffering from the rare disease EB (Hereditary Herpetic Epidermolysis Bullosa), with all proceeds going to the Butterfly Baby Care Center. Fourteen players from our parent company, Aden Group, took part in the four matches on the day, fighting for love, helping families of children with butterfly disease to overcome their difficulties, and calling on the community to pay attention to the rare disease group.



Aden Football Team

Case Study: "Recycle to Shine" Initiative: Make Your Old Clothes Shine in a New Way

In September 2023, ADEN partnered with the Feimayi environmental recycling platform to advocate for employees to sort and recycle unused clothing, reuse unused clothing, and reduce resource consumption.



"Recycle to Shine" poster

Case Study: Aden supports charity with Winter Wonderland Market

In December 28th, Aden said Happy Holidays and goodbye to 2023 with the "Winter Wonderland Market". This was a chance for all of our teams and business lines at HQ to take part and contribute gifts, crafts and special items for sale, with the proceeds going towards a good cause – we will be using donating proceeds from our sale to Dong Li Feng Mei school in Shanghai, which is an institution helping educate handicapped and special needs children.



Participation in Environmental Protection

Aden is committed to arousing public awareness of environmental protection and advocating all employees and their families to protect the ecological environment and cope with climate change. During the reporting period, the Company organized many environmental public welfare activities nationwide, with a total of 84 participants.



Aden Dalian sea cleaning activity



Lingyan Mountain protection hiking



Aden SCR Lianhua Mountain protection trip



Aden NCR beach cleaning activity

Case Study: Aden supports the "Million Trees Project"

In March 2023, Aden HQ organized our employees to participate in the "Million Trees Project" organized by Shanghai Roots & Shoots, donating trees in Inner Mongolia, a heavily deforested region in China. What's more, we invited Shanghai Roots & Shoots to Aden HQ to conduct a tree planting project and environmental protection knowledge sharing workshop. A total of 85 employees participated in the project and planted a total of 475 trees, which is equivalent to contributing more than 10 tons of carbon reduction per year.



Aden

Tree planting workshop

Together, let's plant an Aden forest!



Scan the QR code to donate trees

Time: 28th March 3pm Location: HQ 4th floor Meeting room 2 (Zhengde and Qirui)

Sustainability | ESG | Documentation



Tree planting workshop poster

7.2 Industrial Cooperation & Development

Aden utilizes its expertise to promote industry communication and development by actively participating in various economic forums, business summits, and industry associations, showcasing leadership and commitment to establishing a collaborative network. This cooperation fosters technological innovation, resource sharing, and market expansion, thus driving the sustainable development of the facilities management industry.

Industrial Exchange and Cooperation

Aden actively participated in economic forums and business summits to share our service strengths while showcasing our innovative initiatives and solutions to reduce carbon emissions and improve ESG performance in the construction industry, and to facilitate industry exchanges. During the reporting period, we mainly participated in the Asia Pacific Forum of French Foreign Trade, the Summer Davos Forum 2023 hosted by the World Economic Forum, and the Sustainability & ESG Business Summit 2023 hosted by the BritCham Shanghai.

Industry Association Participation

Aden actively participates in a number of industry organizations and chambers of commerce, and maintains close communication and cooperative relationships with them. These organizations include the International Facility Management Association (IFMA), the Urban Land Institute (ULI), as well as the European Union Chamber of Commerce in China, the CCI France Chine and the BritCham Shanghai. In order to strengthen cooperation, in 2023, Aden established the Shanghai branch of the Executive Alliance with Johnson & Johnson and Zhongxing Telecom Equipment (ZTE), and established partnerships with high-level universities such as Zhejiang University International Business School (ZIBS) and Nanyang Technological University (NTU) in Singapore.



Asia Pacific Forum of French Foreign Trade



Summer Davos Forum 2023



Sustainability & ESG Business Summit 2023



Aden's Membership in Industry Organizations (Examples)

Organization Name	Aden's Role
Administrative League	Member
Shanghai Branch of Administrative League	Co-founder
The European Union Chamber of Commerce in China	Member
CCI France Chine	Member
BritCham Shanghai	Member



08

Strengthening Governance to Achieve Sound Operation

Aden regards robust corporate governance as the cornerstone of sustainable development. We continually enhance our corporate governance system, constructs a diversified governance structure, and effectively safeguard the interests of investors. We consistently conduct compliance risk management, actively fulfill corporate social responsibilities in business ethics, enhance data security and privacy management capabilities, and ensure efficient operations, thereby facilitating high-quality development.

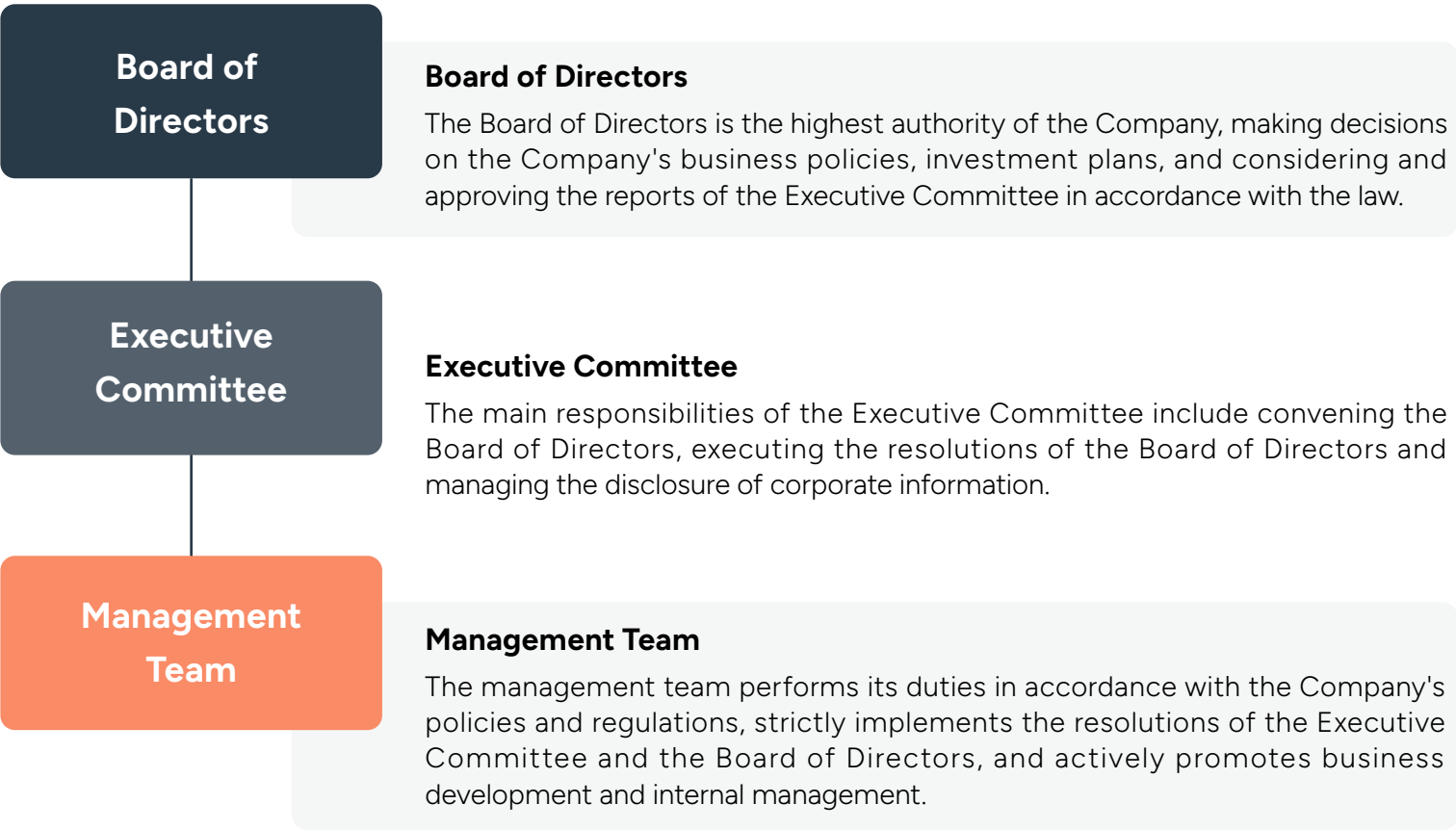


8.1 Corporate Governance

Aden complies with relevant laws and regulations such as the Company Law of the People's Republic of China and establishes management policies such as the Articles Of Association to continuously enhance our corporate governance level.

The Company consistently enhances the corporate governance mechanism, which is defined by “clearly defined responsibilities, division of labor, mutual coordination, and effective checks and balances.” The corporate governance structure consists of the Board of Directors, the Executive Committee and the management team, which ensures the fairness and scientific nature of corporate governance decisions.

Aden’s Corporate Governance Structure

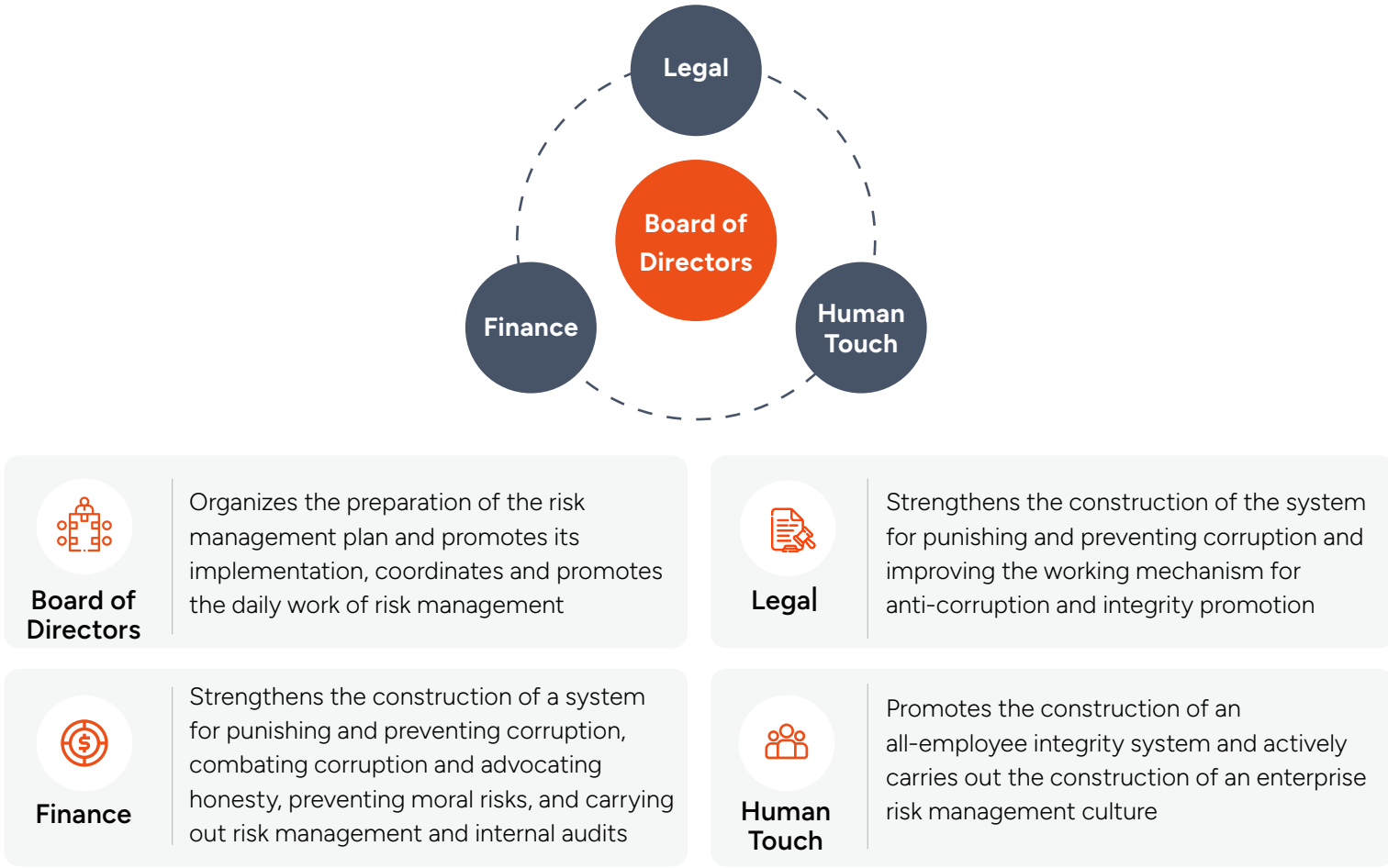


8.2 Compliance and Risk Management

Aden adheres to the concept of compliance management, strictly follows the requirements of the Company Law of the People's Republic of China, formulates and improves the internal compliance management system in light of the actual situation of the Company, and ensures our effective operation.

In addition, Aden has established a risk management mechanism to support strategy implementation and integrity building. This mechanism clarifies the principles and concepts of risk management and the responsibilities of the three lines of defenses to ensure the effective operation of the risk management system. The Company continuously strengthens internal controls to manage and respond to both internal and external risks, thereby ensuring the Company's long-term stability and high-quality rapid development.



The Division of Duties in Risk Management



8.3 Business Ethics

Aden strictly adheres to laws and regulations such as the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Provisional Regulations on Prohibiting Commercial Bribery, among others, consistently prioritizing anti-corruption and anti-commercial bribery in internal governance.

The Company continuously enhances our business ethics management system and framework, taking proactive measures and procedures to prevent corruption risks. Internally, it establishes mechanisms for reporting and sanctioning commercial bribery and provides business ethics training to employees. Externally, we are strengthening our anti-bribery measures by requiring suppliers to sign a Cooperation Integrity Agreement and providing them with business ethics training as part of the onboarding process and when working with them. Business ethics are also included in annual supplier audits.

 <div>Policies</div>	For company Aden's parent company has formulated the Anti-Corruption Management Policy, Fraud Prevention and Money Laundering Work Management Policy, Anti-Undue Competition Management Policy and Internal Audit Management Policy to continuously improve the anti-corruption management system.
	For employees Aden has issued the Beijing Aden Hotel Services Co., Ltd. Business Conduct and Ethical Standards Policy Awareness Statement and established the Aden Employee Code of Conduct and other related regulations, clearly defining the provisions that employees must adhere to in terms of business ethics. All employees are required to sign integrity agreements and a mechanism for reporting and penalizing commercial bribery has been established.
	For suppliers Aden has formulated the Supplier Code of Conduct, requiring all prospective suppliers to sign and adhere to it. Suppliers who violate these commitments may face risks such as downgrade of qualification level, termination of cooperation, or inclusion in a blacklist.
 <div>Awareness-raising</div>	For company Aden vigorously promotes the cultivation of a culture of integrity among all employees, guiding them to embrace and practice integrity. We advocate integrity culture to internal and external stakeholders, jointly fulfilling integrity commitments.
	For employees Aden continuously reinforces employees' awareness of laws and compliance through regular training and promotional activities. Through regular training, publicity and other ways to continuously strengthen the legal and compliance awareness of employees. During the reporting period, organized and carried out integrity publicity and education activities covering all employees, and the training time per capita was 1.03 hours.
	For suppliers During the reporting period, Aden conducted integrity culture promotion and training activities for suppliers. Additionally, we distributed Supplier CSR Questionnaires covering integrity building content to suppliers, helping them promptly assess their shortcomings and make corresponding improvements.
Oversight Mechanism	Conducted audits related to business ethics as required.

We encourage all employees to report suspected unethical or illegal behavior internally and has established an ethics reporting and investigation process. Employees can make reports anonymously or with their names through various channels, including the Ethics Hotline, e-mail, written reports or directly to the Board of Directors.

Aden Business Ethics Reporting Channels	
Ethics Hotline: 021-5465 7968	Address :
Email: HQethics@adenservices.com	Legal Department, Global HQ, Aden Group
	218 Xiangyang Nan Lu, Xuhui District, Shanghai

Business Ethics Monitoring and Reporting Procedures



The Company keeps the identity of whistleblowers confidential and is committed to taking appropriate measures to protect whistleblowing employees from unreasonable dismissal, victimization or unfounded disciplinary action. Employees who attempt to harm or retaliate against individuals making reports will face disciplinary action, with the highest penalty being termination of employment contract.

In 2023, the Company found no significant incidents of suspected corruption or commercial bribery.

8.4 Data Security and Privacy Protection

Data Security

Aden places great emphasis on data security and privacy protection and established our own information security management system early on. In 2021, the Comapny obtained ISO27001 Information Security Management System Certification. To standardize operating procedures and ensure information security, Aden has developed a series of standardized management procedures, including Document Management Procedure, Information Security Risk Management Procedure, Communication and Operation Security Management Procedure, Physical Security Management Procedure, Project Information Security Management Procedure, among others.

Aden Information Security Management System

Management Policies	<p>Internal management documents</p> <p>Document Management Procedure, Information Security Risk Management Procedure, Communications and Operations Security Management Procedure, Physical Security Management Procedure, Project Information Security Management Procedure, IT Equipment Management System.</p> <p>Signing of confidentiality agreements</p> <p>The Employee Handbook specifies the terms of confidentiality of company information.</p>
Information Security Technology	<p>Zero Trust data management system</p> <p>Implementation of zero trust theory. During the reporting period, we implemented multi-factor verification (MFA) to enhance account protection, successfully implemented centralized control of most of the company's PCS (Intune) to enhance endpoint protection, and completed the first two phases of the zero-trust architecture.</p> <p>Data encryption system</p> <p>Enhance the security of classified data and prohibit access by unauthorized personnel</p>
Supply Chain Information Security	<p>Supply chain information security audit</p> <p>All new suppliers are required to sign a Non-Disclosure Agreement (NDA).</p> <p>Information security protection training for suppliers</p>
Employee Safety Awareness Development	<p>Information security training</p> <p>We regularly published announcements on Viva Engage, an employee communication platform, about information security knowledge science and other announcements, and regularly used virtual phishing emails to test employee security awareness. During the reporting period, we conducted a phishing email test for office employees, of which a total of 2,027 employees participated, 105 employees failed the tests. Then IT department conducted training and testing for these employees, and the training pass rate is 100%. We adopted online training to carry out information security-related training, covering the identification of telecommunication frauds, common information security incidents, etc.</p>

Privacy Protection

Aden attaches importance to the privacy protection of customers, suppliers and employees, and strictly complies with the provisions of the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other relevant laws and regulations when collecting, storing, processing, disseminating and sharing personal data.

During the reporting year, the Company did not have any incidents and litigations related to infringement of privacy or loss of personal data of customers, suppliers or employees.



09

Quantitative Performance

9.1 Environmental Performance

Environmental Management System

Indicator	Unit	2023	2022	2021
Amount fined for violations of environmental protection laws and regulations	CNY	0	0	-
Number of incidents fined for violations of environmental protection laws and regulations	件	0	0	-
Total investment in environmental protection education and promotion	10, 000 CNY	1,738.73	1,116.03	244
Average training hours per employee for environmental protection education and promotion	hours	2.54	4.01	2.37

Energy Management

Indicator	Unit	2023	2022	2021
Total purchased electricity ¹	MWh	548.05	629.38	700.90
Total natural gas consumption	m3	145.00	127.00	136.00
Total gasoline consumption ²	L	16,265.31	14247.74	14291.44
Total energy consumption ³	MWh	693.23	756.55	828.56
Total energy consumption per 10, 000 CNY of revenue	MWh/10, 000 CNY of revenue	0.0046	0.0048	0.0053

1. The total amount of electricity purchased by the Company in 2023 changed significantly from the previous year, mainly due to the relocation of offices of 5 subsidiaries in the Suzhou region and relocation of Beijing branch office, resulting in a reduction in overall area.

2. As the Suzhou region began to adopt leased cars, and the Central-Western and Northern regions reduced the use of cars, the overall gasoline consumption of the Company in 2023 decreased significantly.

3. The energy consumption of natural gas and gasoline is calculated using the average low calorific value coefficient from the Corporate GHG Emission Accounting and Reporting Guide for Power Facilities issued by the Ministry of Ecology and Environment. The densities of gasoline and diesel are respectively 1.30 L/kg and 1.18 L/kg.

Mitigation and Adaptation to Climate Change

Indicator	Unit	2023	2022	2021
Total GHG emissions ¹	tCO ₂	347.98	409.64	450.54
Scope 1 GHG emissions ²	tCO ₂	35.43	50.71	50.82
Scope 2 GHG emissions (location based) ³	tCO ₂	312.55	358.94	399.72
Scope 3 GHG emissions ⁴	tCO ₂	-	64,755.51	63,047.29
GHG emissions per 10, 000 CNY of revenue (scope 1+2)	tCO ₂ /Per 10, 000 CNY	0.0023	0.0026	0.0029

1. Total GHG emissions are the sum of GHG emissions in Scope 1 and Scope 2. The calculation of Scope 1, Scope 2, and Scope 3 GHG emissions all refer to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) for accounting and reporting.

2. GHG emissions of Scope 1 originate from the Company's own equipment's natural gas and the gasoline consumed by company vehicles. The GHG emission factor for natural gas comes from the Corporate Greenhouse Gas Emission Accounting and Reporting Guide for Power Facilities, and the emission factor for gasoline comes from the Greenhouse Gas Emission Accounting and Reporting Guide for Land Transportation Enterprises (Trial).

3. GHG emissions of Scope 2 come from the Company's purchased electricity, calculated based on electricity consumption data and the power grid emission factor. The power grid emission factor, set at 0.5703 tCO₂/MWh, is sourced from the Notice on the Management of Greenhouse Gas Emission Reporting by Power Generation Enterprises for 2023-2025 issued by Ministry of Ecology and Environment.

4. In the calculation of GHG emissions within Scope 3 for 2021-2022, the Company identified 8 categories related to Aden's Scope 3 emissions out of 15 categories, including purchased goods and services, capital goods, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, leased assets upstream and investments, the Greenhouse Gas Protocol's Scope 3 Evaluator tool was used for calculation.

Water Resource Management

Indicator	Unit	2023	2022	2021
Total water consumption ¹	t	100,008	120,403	127,350
Water consumption by source of water intake: municipal water supply	t	100,008	120,403	127,350
Water consumption per 10, 000 CNY of revenue	t/10, 000 CNY	0.6662	0.7582	0.8169

1. The calculation method of water consumption of the Company refers to GB/T 50331-202 Water Consumption Standard for Urban Residents (2023 edition), and the per capita water consumption is taken from the first-class water consumption in Shanghai and converted by working hours.

Management of Raw Materials and Packaging

Indicator	Unit	2023	2022	2021
Total amount of recyclable packaging material	t	0.53	0.40	0.36
Total amount of disposable packaging material	t	0.67	0.72	0.75

Emissions and Waste Management

Indicator ¹	Unit	2023	2022	2021
Total waste weight	t	9.60	6.82	4.72
Amount of non-hazardous waste produced (excluding food waste at project sites)	t	9.58	6.82	4.72
Amount of hazardous waste produced	t	0.03	-	-

1. The Company's waste generation weight data only includes 8 branches and subsidiaries. In the future, the Company will continuously refine the data scope.

9.2 Social Performance

Recruitment and Employment

Indicator		Unit	2023	2022	2021
Total employees			8,083	9,677	10,362
By employment mode	Long term		3,726	4,070	3,893
	Temporary		7	52	9
	Non-guaranteed hours		3	6	33
	Full time		4,141	5,437	5,992
	Part time		206	112	435
By gender	Male		3,187	3,722	4,054
	Women		4,896	5,955	6,308
By level of education	Master or above		77	90	92
	Bachelor		360	393	358
	College or below		7,646	9,194	9,912
By age	< 30		628	653	763
	31-50		3,295	3,837	4,182
	> 50		4,160	5,187	5,417
Employees from ethnic minorities as a percentage of the total number of employees		%	1.54	1.29	1.11
New employee					
By gender	Male	%	33.09	33.86	35.50
	Female	%	66.91	66.14	64.50
By age	< 30	%	12.05	10.46	11.38
	31-50	%	34.28	32.01	33.60
	> 50	%	53.67	57.53	55.02

Indicator		Unit	2023	2022	2021
Total senior management			22	23	26
By gender	Male		18	19	23
	Female		4	4	3
Employees from ethnic minorities as a percentage of senior management staff (excluding Board of Directors)		%	0	0	0
Total number of discrimination incidents during the reporting period			0	0	0

Employee Rights and Benefits

Indicator		Unit	2023	2022
Total number of employees on parental leave	Female		24	21
	Male		22	11
Total number of employees returning to work after parental leave during the year	Female		22	20
	Male		20	11
Total number of employees who returned to work after parental leave and were still employed 12 months later	Female		18	16
	Male		17	10
Rate of return of employees on parental leave ¹	Female	%	91.67	95.24
	Male	%	90.91	100
Retention rate of employees on parental leave ²	Female	%	81.82	80.00
	Male	%	85.00	90.91
Proportion of employees covered by formally elected employee representatives		%	100	100

Indicator		Unit	2023	2022
Conditions of work and terms of employment proportion of employees covered by collective agreements		%	100	100

1. Rate of return of employees on parental leave = (Total number of employees who return to work after parental leave / Total number of employees who should return to work after parental leave) * 100%
2. Retention rate of employees on parental leave = (Total number of employees still employed 12 months after returning from parental leave / Total number of employees who returned to work after parental leave during the reporting period) * 100%

Employee Training and Development

Indicator ¹	Unit	2023	2022	2021
Total number of annual trainings	person-time	432,194	331,161	181,055
Staff training coverage ²	%	100	100	100
Per capita training hours for all employees	hours	19.39	15.67	11.55
Per capita training hours for male employees	hours	18.95	13.82	10.58
Per capita training hours for female employees	hours	19.92	17.66	12.35
Per capita training hours for senior-level employees	hours	13.89	31.99	22.79
Per capita training hours for mid-level employees	hours	24.34	43.37	18.71
Per capita training hours for the frontline employees	hours	19.36	15.52	11.49

1. The scope of employee training and development indicators covers both online and offline training.
2. Employee training includes new employee orientation, professional ethics, behavior norms, workplace safety, traffic safety, labor rights (including DE&I), team cooperation, stress management, communication skills, etc. For more details, refer to Section 6.3 Employee Training and Development.

Occupational Health and Safety

Indicator	Unit	2023	2022	2021
Percentage of all workplaces where an employee health and safety risk assessment was performed	%	100	100	100
Occupational health examination rate	%	100	100	100
Total hours of occupational health and safety training for employees	hours	69, 711	38,582	30,299
The coverage of occupational health and safety training for employees	%	100	100	100
Number of emergency drills carried out	times	83	32	71
Number of working hours	hours	16, 001, 200	19,264,400	-
The rate of Loss Time Injuries (LTI) ¹		0.562	0.675	-
The number of work-related injuries can be recorded		9	13	-
The severity rate of Loss Time Injuries (LTI) ²		0.015	0.006	-
Work-related injuries contribute to mortality ³	%	0	0	-
Number of occupational disease cases		0	0	0

1. The rate of Loss Time Injuries (LTI) = (Total number of lost time accidents * 1, 000, 000) / Total number of working hours.
2. The severity rate of Lost Time Injuries (LTI) for direct labor = (Days lost due to injury * 1, 000) / Total number of work hours.
3. Work-related injuries contribute to mortality = (Number of deaths caused by workplace injuries / Number of work hours) * 1, 000, 000.

Product and Service Quality

Indicator	Unit	2023	2022	2021
The settlement rate of complaints handling	%	95	-	-
Customer satisfaction survey results ¹	%	85	87	86
Total duration of quality training	hours	52,058	31,237	25,394
Per capita duration of quality training	hours	6.44	3.23	2.45
Proportion of staff covered by quality training	%	100	100	100
Facility management services - percentage of security personnel in security services who have received formal training in the Company's human rights policies or specific procedures and their application	%	100	100	100

1. Customer satisfaction survey results = (Customer satisfaction score / Total possible score) * 100%.

Food Quality and Safety (Food Services)

Indicator	Unit	2023	2022	2021
Percentage of restaurants inspected by food safety authorities	%	100	100	100
Percentage of children's dietary choices that met the national dietary guidelines for children	%	100	100	100
Percentage of products promoted that comply with national dietary guidelines	%	100	100	100

Supply Chain Management

Indicator	Unit	2023	2022	2021
Total number of suppliers		1,021	1,187	869
Food Services - Percentage of pork that was produced without the use of purchased from gestation	%	100	100	100
Proportion of spending on procurement from local suppliers	%	99.62	96.7	97.57
Number of suppliers with significant/potentially negative environmental impacts		0	0	0
Percentage of suppliers with a significant/potential negative environmental impact that has been assessed and agreed to improve	%	0	0	0
Percentage of suppliers with significant/potential negative environmental impact and relationship terminated after assessment	%	0	0	0
Percentage of signed supplier code of conduct	%	100	100	100
Percentage of suppliers with contracts that include environmental, labor, and human rights requirements	%	100	100	100
Percentage of new suppliers screened using environmental and social criteria	%	100	100	100
Percentage of suppliers assessed by environmental, labor, ethics, etc.	%	100	100	100
Supplier social responsibility related training times	times	4	4	2

9.3 Governance Performance

Economic Performance

Indicator ¹	Unit	2023	2022	2021
Total assets	100 million CNY	8.88	8.14	7.01
Revenue from operations	100 million CNY	15.01	15.88	15.59

1. The total assets and operating income data for the year 2023 have not been audited yet. The final data will be consistent with Aden 2023 financial report.

Corporate Governance

Indicator	Unit	2023	2022	2021
Total number of members of the Company's highest governance body		3	5	4
The number of women in the Company's highest governance body		1	2	1

Business Ethics

Indicator	Unit	2023	2022	2021
Percentage of employees trained on business ethics issues	%	100%	100%	100%
Hours of anti-corruption training per employee	hours	1.03	1.16	1.31
Proportion of members of governance bodies covered by anti-corruption training	%	100%	100%	50%
Number of hours of anti-corruption training per member of the governing body	hours	0.91	1.05	0.03
Number of reports generated by the reporting process		0	0	0
Number of confirmed corruption incidents/corruption lawsuits during the reporting period		0	0	0
Identify the number of operating points with significant corruption risk through risk assessment		0	0	0

Data Security and Privacy Protection

Indicator	Unit	2023	2022	2021
The total number of substantiated complaints received in relation to breaches of customer privacy during the reporting period		0	0	0
Number of confirmed information security incidents		0	0	0

Appendix - Index Tables

Global Reporting Initiative (GRI) Standards

Notes	With reference to GRI Standards, Aden reported information cited in the Index of GRI Standards herein from January 1, 2023 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosures	Location
GRI 2: General Disclosures 2021	2-1 Organizational Details	About this Report 1.1 Company Profile
	2-2 Entities Included in the Organization's Sustainability Reporting	About this Report
	2-3 Reporting Period, Frequency and Contact Point	About this Report
	2-4 Restatements of Information	9 Quantitative Performance – Energy Management
	2-6 Activities, Value Chain and Other Business Relationships	1.1 Company Profile
	2-7 Employees	9 Quantitative Performance – Recruitment and Employment
	2-8 Workers Who are not Employees	9 Quantitative Performance – Recruitment and Employment
	2-9 Governance Structure and Composition	8.1 Corporate Governance
	2-11 Chair of the highest governance body	2.1 ESG Management System 8.1 Corporate Governance
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	2.1 ESG Management System 8.1 Corporate Governance

GRI Standard	Disclosures	Location
GRI 2: General Disclosures 2021	2-13 Delegation of Responsibility for Managing Impacts	2.1 ESG Management System 8.1 Corporate Governance
	2-14 Role of the Highest Governance Body in Sustainability Reporting	2.1 ESG Management System
	2-16 Communication of Critical Concerns	2.1 ESG Management System 6.2 Employee Care & Communication 8.2 Business Ethics
	2-17 Collective Knowledge of the Highest Governance Body	2.1 ESG Management System
	2-22 Statement on Sustainable Development Strategy	Message from the President
	2-23 Policy Commitments	4 Green Operation Committed to Low Carbon Development 5 Service Excellence & Continuous Pursuit of Innovation 6 A People-Oriented Warm Workplace 8 Strengthening Governance to Achieve Sound Operation
	2-24 Embedding Policy Commitments	2.1 ESG Management System 9 Quantitative Performance – Employee Training and Development
	2-25 Processes to Remediate Negative Impacts	2.1 ESG Management System 2.2 Stakeholder Communication 5.1 High-quality Services 5.2 Safety and Quality of Food 6.2 Employee Care & Communication 8.2 Compliance and Risk Management 8.3 Business Ethics 8.4 Data Security & Privacy Protection
	2-26 Mechanisms for Seeking Advice and Raising Concerns	5.1 High-quality Services 6.2 Employee Care & Communication 8.3 Business Ethics 8.4 Data Security & Privacy Protection

GRI Standard	Disclosures	Location
GRI 2: General Disclosures 2021	2-27 Compliance with Laws and Regulations	9 Quantitative Performance
	2-28 Membership associations	7.2 Industrial Cooperation & Development
	2-29 Approach to Stakeholder Engagement	2.2 Stakeholder Communication
	2-30 Collective Bargaining Agreements	6.1 Employee Rights & Benefits 9 Quantitative Performance - Employee Rights & Benefits
GRI 3: Material Topics 2021	3-1 Process to Determine Material Topics	2.3 Material Topic Analysis
	3-2 List of Material Topics	2.3 Material Topic Analysis
	3-3 Management of Material Topics	3 Spotlight of the Year: Digital Integrated Facilities Management in Combating Climate Change Together
		4 Green Operation Committed to Low Carbon Development
		5 Service Excellence & Continuous Pursuit of Innovation
GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed	9 Quantitative Performance
	201-2 Financial implications and other risks and opportunities due to climate change	4.2 Climate Change Adaptation and Mitigation
	201-3 Defined Benefit Plan Obligations and Other Retirement Plans	6.1 Employee Rights & Benefits
GRI 204:Procurement Practices 2016	204-1 Proportion of Spending on Local Suppliers	9 Quantitative Performance - Supply Chain Management
GRI 205: Anti-corruption 2016	205-1 Operations Assessed for Risks Related to Corruption	9 Quantitative Performance – Business Ethics
	205-2 Communication and Training about Anti-Corruption Policies and Procedures	8.3 Business Ethics 9 Quantitative Performance - Business Ethics
	205-3 Confirmed Incidents of Corruption and Actions Taken	8.3 Business Ethics 9 Quantitative Performance





GRI Standard	Disclosures	Location
GRI 206: Anti-competitive Behavior 2016	206-1 Legal Actions for Anti-competitive Behavior, Anti-trust, and Monopoly Practices	No relevant legal action was received during the reporting period.
GRI 301: Materials 2016	301-1 Materials used by Weight or Volume	4.3 Resource Management – Green Packaging 9 Quantitative Performance
	301-2 Recycled Input Materials Used	4.3 Resource Management – Green Packaging 9 Quantitative Performance
GRI 302: Energy 2016	302-1 Energy Consumption Within the Organization	4.3 Resource Management 9 Quantitative Performance – Energy Management
	302-3 Energy Intensity	4.3 Resource Management 9 Quantitative Performance – Energy Management
	302-4 Reduction of Energy Consumption	3 Spotlight of the Year: Digital Integrated Facilities Management in Combating Climate Change Together
	302-5 Reductions in energy requirements of products and services	3 Spotlight of the Year: Digital Integrated Facilities Management in Combating Climate Change Together
	303-1 Interactions with Water as a Shared Resource	4.3 Resource Management - Water Resources and Wastewater Management
GRI 303: Water and Effluents 2018	303-2 Management of Water Discharge - related Impacts	4.3 Resource Management - Water Resources and Wastewater Management
	303-3 Water Withdrawal	9 Quantitative Performance – Water Management
	303-4 Water Discharge	9 Quantitative Performance – Water Management
	303-5 Water Consumption	9 Quantitative Performance – Water Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	9 Quantitative Performance - Climate Change Adaptation and Mitigation
	305-2 Energy Indirect (Scope 2) GHG Emissions	9 Quantitative Performance - Climate Change Adaptation and Mitigation
	305-3 Other indirect (Scope 3) GHG emissions	9 Quantitative Performance - Climate Change Adaptation and Mitigation



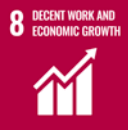

GRI Standard	Disclosures	Location
GRI 305: Emissions 2016	305-4 GHG Emissions Intensity	9 Quantitative Performance - Climate Change Adaptation and Mitigation
	305-5 Reduction of GHG Emissions	3.1 Achieving Sustainable Operation 3.3 Delivering Low-Carbon Solutions
GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-related Impacts	4.4 Emissions and Waste Management
	306-2 Management of Significant Waste-related Impacts	4.4 Emissions and Waste Management
	306-3 Waste Generated	9 Quantitative Performance
	306-4 Waste Diverted from Disposal	4.4 Emissions and Waste Management
	306-5 Waste Directed to Disposal	4.4 Emissions and Waste Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New Suppliers That Were Screened Using Environmental Criteria	5.5 Supply Chain Management 9 Quantitative Performance – Supply Chain Management
	308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken	5.5 Supply Chain Management 9 Quantitative Performance – Supply Chain Management
GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover	9 Quantitative Performance - Recruitment and Employment
	401-2 Benefits Provided to Full-time Employees (Temporary or Part-time Employees Excluded)	6.1 Employee Rights & Benefits 6.2 Employee Care & Communication
	401-3 Parental Leave	6.1 Employee Rights & Benefits 9 Quantitative Performance - Employee Rights & Benefits
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	6.4 Occupational Health & Safety
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	6.4 Occupational Health & Safety
	403-3 Occupational Health Services	6.4 Occupational Health & Safety
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	6.2 Employee Care & Communication




GRI Standard	Disclosures	Location
GRI 403: Occupational Health and Safety 2018	403-5 Worker Training on Occupational Health and Safety	6.4 Occupational Health & Safety 9 Quantitative Performance - Occupational Health & Safety
	403-6 Promotion of Worker Health	6.4 Occupational Health & Safety
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	6.4 Occupational Health & Safety
	403-8 Workers Covered by an Occupational Health and Safety Management System	6.4 Occupational Health & Safety
	403-9 Work-related Injuries	9 Quantitative Performance - Occupational Health & Safety
GRI 404: Training and Education 2016	403-10 Work-related Ill Health	9 Quantitative Performance - Occupational Health & Safety
	404-1 Average Hours of Training per Year per Employee	6.3 Employee Training and Development 9 Quantitative Performance - Employee Training and Development
	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	6.3 Employee Training and Development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and Employees	6.1 Employee Rights & Benefits 9 Quantitative Performance –Recruitment and Employment
GRI 406: Non-discrimination 2016	406-1 Incidents of Discrimination and Corrective Actions Taken	6.1 Employee Rights & Benefits 6.2 Employee Care & Communication 9 Quantitative Performance – Employee Rights and Benefits
GRI 408: Child Labor 2016	408-1 Operations and Suppliers at Significant Risk for Incidents of Child Labor	5.5 Supply Chain Management 6.1 Employee Rights & Benefits
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	5.5 Supply Chain Management 6.1 Employee Rights & Benefits 9 Quantitative Performance – Supplier Chain Management
GRI 410: Security Practices 2016	410-1 Security Personnel Trained in Human Rights Policies or Procedures	5.1 High-quality Services 9 Quantitative Performance – Products and Services




GRI Standard	Disclosures	Location
GRI 413: Local Communities 2016	413-1 Operations with Local Community Engagement, Impact Evaluation and Development Programs	7.1 Community Engagement & Charity
GRI 414: Supplier Social Assessment 2016	414-1 New Suppliers That Were Screened Using Social Criteria	5.5 Supply Chain Management 9 Quantitative Performance – Supply Chain Management
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken	5.5 Supply Chain Management 9 Quantitative Performance – Supply Chain Management
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	5.1 High-quality Services 5.2 Safety and Quality of Food
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	5.1 High-quality Services 5.2 Safety and Quality of Food
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	8.4 Data Security & Privacy Protection 9 Quantitative Performance – Data Security and Privacy Protection

2021 United Nations Sustainable Development Goals (UN SDGs)

SDGs	Location
 Goal 1: No Poverty	1.2 Key Performance of 2023 Joining the International Facility Management Association (IFMA), Urban Land Institute (ULI), European Union Chamber of Commerce, French Chamber of Commerce, British Chamber of Commerce (BritCham) and others.
 Goal 3: Good Health and Well-Being	4.1 Environmental Management System 4.2 Climate Change Adaptation and Mitigation 4.4 Emissions and Waste Management 6.1 Employee Rights & Benefits 6.4 Occupational Health & Safety 9 Quantitative Performance
 Goal 4: Quality Education	6.3 Employee Training and Development 9 Quantitative Performance
 Goal 5: Gender Equality	5.5 Supply Chain Management 6.1 Employee Rights & Benefits 8.1 Corporate Governance 9 Quantitative Performance

SDGs	Location
 Goal 6: Clean Water and Sanitation	4.3 Resource Management
 Goal 7: Affordable and Clean Energy	4.3 Resource Management
 Goal 8: Decent Work and Economic Growth	1.2 Key Performance of 2023 4.4 Emissions and Waste Management 5.5 Supply Chain Management 6.1 Employee Rights & Benefits 6.3 Employee Training and Development 9 Quantitative Performance
 Goal 9: Industry, Innovation and Infrastructure	1.2 Key Performance of 2023

SDGs	Location
 Goal 10: Reduced Inequalities	6.1 Employee Rights & Benefits 6.3 Employee Training and Development
 Goal 11: Sustainable Cities and Communities	4.4 Emissions and Waste Management
 Goal 12: Responsible Consumption and Production	4.2 Climate Change Adaptation and Mitigation 4.3 Resource Management 9 Quantitative Performance
 Goal 13: Climate Action	4.2 Climate Change Adaptation and Mitigation 4.3 Resource Management 9 Quantitative Performance
 Goal 14: Life below Water	4.2 Climate Change Adaptation and Mitigation

SDGs	Location
 Goal 15: Life on Land	4.2 Climate Change Adaptation and Mitigation
 Goal 16: Peace, Justice and Strong Institutions	4.1 Environmental Management System 5.2 Safety and Quality of Food 5.5 Supply Chain Management 6.1 Employee Rights & Benefits 6.4 Occupational Health & Safety 8.2 Compliance and Risk Management 8.3 Business Ethics 8.4 Data Security & Privacy Protection 9 Quantitative Performance
 Goal 17: Partnerships for the Goals	1.2 Key Performance of 2023